

# Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

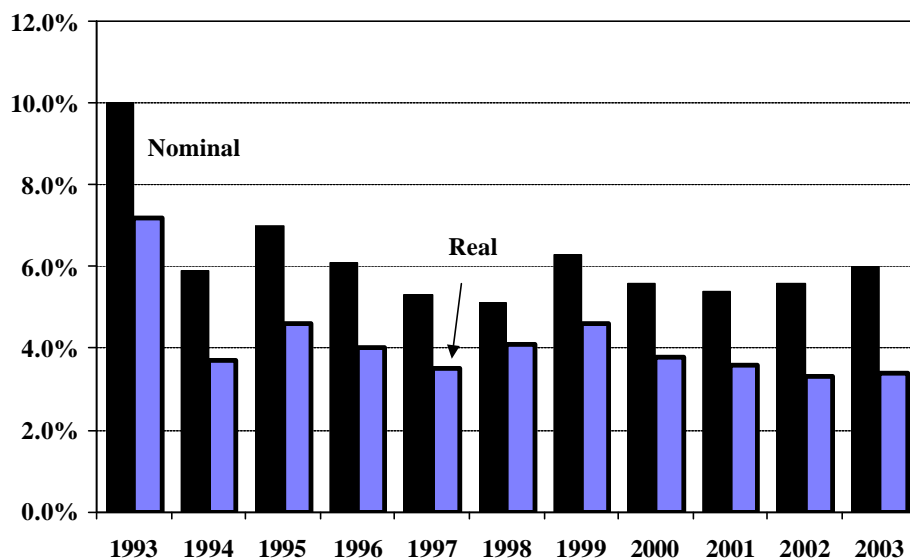
Division of Financial Management

Vol. XXII, No. 1  
January 2000

ISSN 8756-1840

- Forecast 1999-2003
- Projecting Budget Surpluses
- Alternative Forecasts

**Idaho Nominal & Real Personal Income Growth**



**Idaho  
Economic  
Forecast  
1999 - 2003**

State of Idaho  
DIRK KEMPTHORNE  
Governor

*Costs associated with this publication are available  
from the Division of Financial Management  
in accordance with Section 60-202, Idaho Code.*

1-00/385/010200-180-4001

## PREFACE

Idaho has entered its second century of statehood on solid economic ground. After nearly a decade of stop and start economic performance, the 1980s closed with a much-welcomed economic expansion. While not as sharp as the boom years of the 1970s, today's employment and income growth are exceptional in comparison to the 1980s. Much of the current expansion results from Idaho's successful adjustment (and sometimes painful restructuring) of its key basic industries.

Our traditional industries, such as lumber and wood products, food processing, and mining, have become more competitive. Our high-tech sector, which includes Hewlett-Packard, Zilog, and Micron Technology, has bucked recent national trends and undergone substantial expansion. In addition, the tourism and travel sectors have benefited from past investments in such projects as the Coeur d'Alene Resort, the convention centers in Boise and Nampa, and the Kellogg Gondola. Thus, the restructured Idaho economy is better positioned to exploit growth opportunities that will arise this decade, and is expected to sustain solid growth well through the 1990s.

A particularly satisfying aspect of the Gem State's passage into the 1990s is the broad base of economic health in Idaho today. Tourism, high-tech manufacturing, and the commercial sectors are thriving. After persevering through hard times, Idahoans are enjoying the benefits of the state's economic success on a wide geographical basis. Many of Idaho's rural communities that lagged urban growth rates during the 1980s have grown recently. Almost two-thirds of Idaho cities lost population during the previous decade. Many are now rebounding.

While many changes are taking place today, other traditional factors still hold firm. Most notably, Idaho's economy remains directly tied to its resource base. While displaying more resilience to downturns than in the past, these industries are not totally immune from business cycle effects. This heavy dependency on natural resources will bring a host of challenges as Idaho enters the next century. These include competition among agriculture, fisheries, and expanding population needs for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory near Idaho Falls and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

**Division of Financial Management**  
700 W. Jefferson, Room 122  
P.O. Box 83720  
Boise, Idaho 83720-0032  
(208) 334-3900

**Economic Analysis Bureau**  
Michael H. Ferguson, Chief Economist  
Derek E. Santos, Economist

This page left blank intentionally.

## TABLE OF CONTENTS

Preface.....	iii
Introduction.....	2
Executive Summary .....	5
Idaho and U.S. Forecast Summary Tables .....	6
Forecast Description:	
National.....	8
Idaho.....	14
Forecasts Comparison.....	20
Alternative Forecasts.....	22
Feature Article	
Projecting Budget Surpluses.....	25
Forecast Detail .....	29
Annual Forecast.....	30
Quarterly Forecast.....	44
Appendix .....	59
DRI U.S. Macroeconomic Model.....	60
Idaho Economic Model .....	62
Equations.....	64
Endogenous Variables.....	68
Exogenous Variables.....	70

## INTRODUCTION

The national forecast presented in this publication is the November 1999 Standard and Poor's DRI baseline forecast of the U.S. economy. The October 1999 *Idaho Economic Forecast* is based on the September 1999 DRI national forecast.

The growth rates for both Idaho nominal and real personal income are shown on the cover of this report. This chart shows that nominal personal income growth should slow slightly in each of the next two years and then quicken in 2002. Real income growth displays a similar pattern. It slows through 2002 before accelerating in 2003.

## FEATURE

"Projecting Budget Surpluses" is the title of the article featured in this edition of the *Forecast*. The federal budget has ended with a surplus in the last two fiscal years, a feat last accomplished when Dwight Eisenhower was president. However, predicting whether there will be a surplus or deficit can be tricky. Projections of future deficits made in the 1980s were notoriously inaccurate. The last two years have seen enormous revisions in the projected surpluses, and future years are likely to see similarly large revisions. This article discusses the nature of the budget projections, sources of revisions, and the appropriate interpretation of the projections. It was written by Carl E. Walsh, Professor of Economics at the University of California, Santa Cruz and a visiting scholar at the Federal Reserve Bank of San Francisco.

## THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. DRI examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are described in the text.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1984 to 2003 and for every quarter from 1997 through 2002. The solution of the Idaho Economic Model for this forecast begins with the third quarter of 1999.

Descriptions of the DRI U.S. Macroeconomic Model and the Idaho Economic Model are provided in the Appendix. Equations of the Idaho Economic Model and variable definitions are listed in the last pages of this publication.

## CHANGES

The employment numbers that appear in this publication are based on monthly data supplied by the Idaho Department of Labor. These data extend through the third quarter of 1999. The estimates for all of 1998 and the first six months of 1999 have been benchmarked. The monthly estimates for the third quarter of 1999 are preliminary. All the monthly data have been seasonally adjusted and converted into quarterly estimates by DFM.

The benchmarked data show that Idaho nonfarm employment grew 2.5% in 1998. The data also show that nonfarm employment advanced at a 2.8% annual rate during the first quarter of 1999 and a 3.9% rate in the second quarter. This was faster than the 0.7% pace for the second quarter of 1999 that was predicted in DFM's October 1999 forecast.

The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis' (BEA) estimates of Idaho quarterly personal income through the second quarter of 1999. The BEA is scheduled to release its next round of Idaho personal income estimates in late January 2000. These estimates will run through the third quarter of 1999.

The *Idaho Economic Forecast* is available on the Internet at <http://www.state.id.us/dfm/econinfo.htm>. Readers with any questions should contact Derek Santos at (208) 334-3900 or at [dsantos@dfm.state.id.us](mailto:dsantos@dfm.state.id.us).



## SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at <http://www2.state.id.us/dfm/econinfo.htm>.

Hardcopy subscription rates for the *Idaho Economic Forecast*, which is published four times a year, are as follows:

Idaho State Government	No Charge
Idaho Resident	\$10.00 per year
Non-Idaho Resident	\$20.00 per year

To subscribe, send the following information and appropriate payment to:

**Idaho Economic Forecast  
Division of Financial Management  
700 W. Jefferson, Room 122  
P.O. Box 83720  
Boise, Idaho 83720-0032**

NAME \_\_\_\_\_

ORGANIZATION \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

ZIP CODE \_\_\_\_\_

Subscriber Category      Idaho State Government      \_\_\_\_\_

Idaho Resident      \_\_\_\_\_

Non-Idaho Resident      \_\_\_\_\_

Enclosed is payment of\$ \_\_\_\_\_ for \_\_\_\_\_ years.

## EXECUTIVE SUMMARY

The outlook for the state's economy has changed little since the October 1999 *Idaho Economic Forecast* was released. At that time it was projected that after booming for several years, the Gem State's economic growth would take a breather and expand slower over the forecast period. It is important to note that while growth is forecast to slow, it is not expected to stall or decline. As such, the state's growth streak that began in 1987 should continue over the foreseeable future. It is anticipated that Idaho nonfarm employment growth will drift down to 2.1% in both 2000 and 2001 then rise to 2.4% in 2002, and 2.5% in 2003. While this is low compared to recent years' increases, it is still faster than its national counterpart. National growth is not expected to increase by more than 2.0% in any year of this forecast. Idaho nominal personal income should chug along at a 5.5% to 6.0% annual pace over the forecast horizon. As is the case with employment, Idaho nominal personal income should grow faster than national nominal personal income. Adjusted for inflation, Idaho personal income is anticipated to rise 4.6% in 1999, 3.8% in 2000, 3.6% in 2001, 3.3% in 2002, and 3.4% in 2003. National personal income is expected to advance 4.1% in 1999, 3.4% in 2000, 3.2% in 2001, 2.4% in 2002, and 2.5% in 2003.

The U.S. economy continued to grow as it reached the end of the 2<sup>nd</sup> millenium. Already it's the longest peacetime expansion, and in February 2000 it will be the longest expansion on record. Despite its long run, the economy shows few signs of slowing down. In fact, some signs show it is actually speeding up. After growing at a 1.9% annual rate in the second quarter of 1999, real GDP posted a 5.7% showing in the following quarter. Early estimates suggest it grew about 5.0% in the fourth quarter of last year. Overall, real GDP is believed to have grown 3.9% in 1999, well above almost every estimate of its potential. Another measure that has outperformed almost every expectation has been employment. Last year the U.S. civilian unemployment rate averaged 4.2%, which is about one and a half percentage points below a reasonable estimate of full employment. Given the tight labor market, one would expect to see inflationary pressures surfacing. However, inflation has been relatively tame. In fact, employee compensation growth actually slowed from 3.5% in 1998 to 3.1% in 1999. Energy prices did rise significantly in 1999, but this jump was from depressed levels. Even with the surge in energy prices, consumer inflation was just 2.2% last year. As it prepares to break the expansion record, the economy is more aptly described as hitting full stride versus being on its last leg.

# IDAHO ECONOMIC FORECAST

## EXECUTIVE SUMMARY

### JANUARY 2000

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>GDP (BILLIONS)</b>										
Current \$	7,054	7,401	7,813	8,301	8,760	9,228	9,671	10,159	10,649	11,213
% Ch	7.2%	4.9%	5.6%	6.2%	5.5%	5.3%	4.8%	5.0%	4.8%	5.3%
1992 Chain-Weighted	6,729	6,912	7,165	7,488	7,810	8,113	8,386	8,676	8,939	9,226
% Ch	5.0%	2.7%	3.7%	4.5%	4.3%	3.9%	3.4%	3.5%	3.0%	3.2%
<b>PERSONAL INCOME - CURR \$</b>										
Idaho (Millions)	20,628	22,062	23,418	24,651	25,901	27,524	29,056	30,615	32,329	34,254
% Ch	5.9%	7.0%	6.1%	5.3%	5.1%	6.3%	5.6%	5.4%	5.6%	6.0%
Idaho Nonfarm (Millions)	19,979	21,371	22,644	23,958	25,254	26,783	28,296	29,836	31,530	33,432
% Ch	8.9%	7.0%	6.0%	5.8%	5.4%	6.1%	5.6%	5.4%	5.7%	6.0%
U.S. (Billions)	5,888	6,201	6,547	6,951	7,359	7,783	8,188	8,592	8,992	9,442
% Ch	6.8%	5.3%	5.6%	6.2%	5.9%	5.8%	5.2%	4.9%	4.6%	5.0%
<b>PERSONAL INCOME - 1992 \$</b>										
Idaho (Millions)	19,674	20,582	21,412	22,170	23,075	24,147	25,059	25,954	26,808	27,728
% Ch	3.7%	4.6%	4.0%	3.5%	4.1%	4.6%	3.8%	3.6%	3.3%	3.4%
Idaho Nonfarm (Millions)	19,054	19,937	20,705	21,547	22,499	23,496	24,404	25,294	26,145	27,062
% Ch	6.7%	4.6%	3.8%	4.1%	4.4%	4.4%	3.9%	3.6%	3.4%	3.5%
U.S. (Billions)	5,616	5,785	5,986	6,251	6,556	6,827	7,061	7,284	7,456	7,643
% Ch	4.6%	3.0%	3.5%	4.4%	4.9%	4.1%	3.4%	3.2%	2.4%	2.5%
<b>HOUSING STARTS</b>										
Idaho	12,768	9,362	9,222	8,858	10,124	10,128	10,020	10,137	10,009	10,153
% Ch	11.5%	-26.7%	-1.5%	-3.9%	14.3%	0.0%	-1.1%	1.2%	-1.3%	1.4%
U.S. (Millions)	1.446	1.361	1.469	1.476	1.623	1.665	1.573	1.585	1.556	1.567
% Ch	12.0%	-5.9%	7.9%	0.5%	10.0%	2.6%	-5.5%	0.7%	-1.8%	0.7%
<b>TOTAL NONFARM EMPLOYMENT</b>										
Idaho (Thousands)	461.2	477.4	492.6	508.8	521.6	535.7	547.1	558.8	572.2	586.2
% Ch	5.6%	3.5%	3.2%	3.3%	2.5%	2.7%	2.1%	2.1%	2.4%	2.5%
U.S. (Millions)	114.1	117.2	119.6	122.7	125.8	128.6	130.6	132.5	133.9	135.5
% Ch	3.1%	2.7%	2.1%	2.6%	2.6%	2.2%	1.6%	1.4%	1.0%	1.2%
<b>FINANCIAL MARKETS</b>										
Federal Funds Rate	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%	5.5%	5.5%	5.5%	5.5%
Bank Prime Rate	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%	8.5%	8.5%	8.5%	8.5%
Mort Rate, New Homes	7.5%	7.9%	7.8%	7.7%	7.1%	7.2%	7.7%	7.2%	7.0%	7.1%
<b>INFLATION</b>										
GDP Price Deflator	2.1%	2.1%	1.8%	1.7%	1.2%	1.3%	1.4%	1.6%	1.8%	2.0%
Personal Cons Deflator	2.1%	2.2%	2.0%	1.7%	0.9%	1.6%	1.7%	1.7%	2.2%	2.4%
Consumer Price Index	2.6%	2.8%	2.9%	2.3%	1.6%	2.2%	2.3%	2.1%	2.6%	2.8%

**National Variables Forecast by Standard and Poor's DRI**  
**Forecast Begins the THIRD Quarter of 1999**

# IDAHO ECONOMIC FORECAST

## EXECUTIVE SUMMARY

JANUARY 2000

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP (BILLIONS)</b>												
Current \$	9,492	9,605	9,732	9,857	9,997	10,106	10,212	10,324	10,457	10,580	10,711	10,848
% Ch	3.3%	4.9%	5.4%	5.2%	5.8%	4.4%	4.3%	4.5%	5.3%	4.8%	5.1%	5.2%
1992 Chain-Weighted	8,275	8,346	8,423	8,498	8,583	8,647	8,707	8,768	8,838	8,902	8,971	9,043
% Ch	1.7%	3.4%	3.8%	3.6%	4.1%	3.0%	2.8%	2.9%	3.2%	2.9%	3.1%	3.2%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	28,567	28,897	29,196	29,563	30,014	30,416	30,821	31,209	31,666	32,101	32,550	32,999
% Ch	6.9%	4.7%	4.2%	5.1%	6.2%	5.5%	5.4%	5.1%	6.0%	5.6%	5.7%	5.6%
Idaho Nonfarm (Millions)	27,772	28,131	28,468	28,814	29,247	29,637	30,034	30,426	30,882	31,307	31,743	32,186
% Ch	6.5%	5.3%	4.9%	5.0%	6.1%	5.4%	5.5%	5.3%	6.1%	5.6%	5.7%	5.7%
U.S. (Billions)	8,049	8,139	8,231	8,332	8,449	8,549	8,640	8,731	8,842	8,940	9,041	9,144
% Ch	5.5%	4.6%	4.6%	5.0%	5.7%	4.8%	4.4%	4.3%	5.2%	4.5%	4.6%	4.6%
<b>PERSONAL INCOME - 1992 \$</b>												
Idaho (Millions)	24,775	24,970	25,137	25,355	25,632	25,856	26,071	26,259	26,491	26,701	26,915	27,122
% Ch	5.0%	3.2%	2.7%	3.5%	4.4%	3.5%	3.4%	2.9%	3.6%	3.2%	3.2%	3.1%
Idaho Nonfarm (Millions)	24,086	24,309	24,510	24,713	24,977	25,193	25,405	25,600	25,836	26,041	26,248	26,454
% Ch	4.6%	3.8%	3.4%	3.4%	4.3%	3.5%	3.4%	3.1%	3.7%	3.2%	3.2%	3.2%
U.S. (Billions)	6,980	7,033	7,086	7,146	7,215	7,267	7,308	7,346	7,397	7,436	7,476	7,516
% Ch	3.6%	3.1%	3.1%	3.4%	3.9%	2.9%	2.3%	2.1%	2.8%	2.1%	2.2%	2.2%
<b>HOUSING STARTS</b>												
Idaho	9,850	9,957	10,074	10,198	10,205	10,180	10,112	10,050	10,042	10,020	9,995	9,981
% Ch	1.5%	4.4%	4.8%	5.0%	0.3%	-1.0%	-2.6%	-2.4%	-0.3%	-0.9%	-1.0%	-0.6%
U.S. (Millions)	1,574	1,561	1,568	1,589	1,597	1,590	1,578	1,573	1,567	1,558	1,550	1,549
% Ch	-9.0%	-3.3%	1.8%	5.5%	2.1%	-1.8%	-3.1%	-1.1%	-1.5%	-2.5%	-1.9%	-0.3%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho (Thousands)	543.3	546.3	548.4	550.5	553.7	557.1	560.5	563.7	567.1	570.5	573.9	577.1
% Ch	3.0%	2.2%	1.6%	1.5%	2.4%	2.4%	2.5%	2.4%	2.4%	2.4%	2.4%	2.3%
U.S. (Millions)	129.9	130.4	130.9	131.4	131.9	132.4	132.7	133.1	133.4	133.7	134.1	134.4
% Ch	1.3%	1.5%	1.5%	1.7%	1.6%	1.4%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%
<b>FINANCIAL MARKETS</b>												
Federal Funds Rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Bank Prime Rate	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Mort Rate, New Homes	7.9%	7.8%	7.7%	7.5%	7.4%	7.2%	7.1%	7.1%	7.0%	7.0%	7.0%	7.1%
<b>INFLATION</b>												
GDP Price Deflator	1.6%	1.4%	1.6%	1.6%	1.7%	1.4%	1.5%	1.6%	2.0%	1.8%	1.9%	2.0%
Personal Cons Deflator	1.8%	1.5%	1.5%	1.5%	1.7%	1.9%	2.0%	2.1%	2.3%	2.3%	2.4%	2.4%
Consumer Price Index	2.4%	1.9%	1.9%	2.0%	2.1%	2.3%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%

**National Variables Forecast by Standard and Poor's DRI**  
**Forecast Begins the THIRD Quarter of 1999**

## **NATIONAL FORECAST DESCRIPTION**

### **The Forecast Period is the Third Quarter of 1999 to the Fourth Quarter of 2003**

The U.S. economy continued to grow as it reached the end of the 2<sup>nd</sup> millenium. Already, it's the longest peacetime expansion, and in February 2000 it will be the longest expansion on record. Despite its long run, the economy shows few signs of slowing down. In fact, some signs show it is actually speeding up. After growing at a 1.9% annual rate in the second quarter of 1999, real GDP posted a 5.7% showing in the following quarter. Early estimates suggest it grew about 5.0% in the fourth quarter of last year. Overall, real GDP is believed to have grown 3.9% in 1999, well above almost every estimate of its potential. Another measure that has outperformed almost every expectation has been employment. Last year the U.S. civilian unemployment rate averaged 4.2%, which is about one and a half percentage points below a reasonable estimate of full employment. Given the tight labor market, one would expect to see inflationary pressures surfacing. However, inflation has been relatively tame. In fact, employee compensation growth actually slowed from 3.5% in 1998 to 3.1% in 1999. Energy prices did rise significantly in 1999, but this jump was from depressed levels. Even with the surge in energy prices, consumer inflation was just 2.2% last year. As it prepares to break the expansion record, the economy is more aptly described as hitting full stride versus being on its last leg.

The economy's long string of successes has led to speculation that we have entered an era of "the New Economy." An important feature of this school of thought is that something fundamental has happened to the economy that has made it less volatile. In a way, it could be described as the economy that would not die. On closer inspection the "new economy" looks a lot like the "old economy." And to paraphrase Mark Twain, "the news of the business cycle's death is greatly exaggerated." What we are seeing is the "old economy" prospering under nearly ideal conditions. As such, it still remains vulnerable to disruptions. A classic example is a policy mistake by the nation's central bank. Although inflation is currently tame, it could heat up in the future. If the Federal Reserve were slow to react to this threat, prices could accelerate quickly. In order to wrangle inflation, the Federal Reserve would have to tighten more severely than if it had acted more promptly to the inflation threat. The higher interest rates would throw cold water on the hot economy and plunge it into a recession. The economy could also stumble if the stock market falters. Such a scenario could happen. A look at fundamentals suggests the stock market is overvalued by 30%, hardly a trivial amount. Furthermore, the rise in the stock market has buoyed consumer confidence. Should the stock market go south, so would consumer confidence and spending. This could start a chain reaction that would eventually lead the economy into a recession.

The current forecast assumes there will be no major policy mistakes nor will there be a catastrophic drop in the stock market. Thus, there should not be a recession over the forecast period. Instead, the forecast calls for the economy to cool. Interestingly, the slowdown will not come from weak demand, but weak supply. The booming economy has dried up the labor pool. Expanding businesses will find it increasingly difficult to find qualified employees. Eventually, the tight labor market will put pressure on inflation. However, the Federal Reserve is expected to maintain its vigilance and keep inflation in check while avoiding a recession.

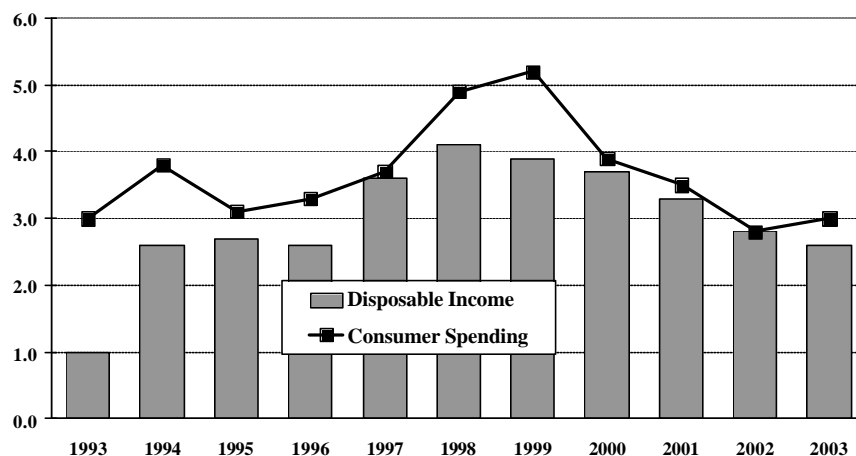
## **SELECTED NATIONAL ECONOMIC INDICATORS**

**Consumer Spending:** Real consumer spending accounts for about two-thirds of the economic activity in the U.S., and it has fueled the strong economic growth in recent years. In fact, real consumer spending has out paced both real GDP and disposable income growth over the last four years. While spending can rise faster than income for short periods, at some point it should return to the rate of income growth. This is because consumers eventually exhaust savings and credit sources. American

consumers appear to be reaching the point where it will be harder to maintain the current rate of spending above income growth. In order to support their spendthrift ways, consumers have turned to their savings and to credit. The U.S. personal savings rate dropped from nearly 9.0% in 1992 to about 2.0% last year. The main reason consumers have let personal savings slide is because they believe the rising stock market is doing their saving for them. The ratio of wealth to income has risen to nearly 6 — its highest level ever. Rising

confidence and low interest rates have also convinced consumers to take on record levels of debt during this expansion. It was believed that consumers had exhausted their taste for debt when the ratio of non-mortgage consumer debt to disposable income was around 18% in 1994. Since then it has become obvious that consumers are comfortable with higher levels of debt. The ratio of debt to income was just over 20% in 1998 and showed no sign of easing in 1999. Another measure shows that for the first time total U.S. household debt (including mortgage debt) has risen above after-tax income. Again, increased household wealth seems to have played a role. It should be pointed out that not all households are shouldering an equal debt burden. Anecdotal evidence suggests much of the new debt has gone to the least creditworthy borrowers. This would help to explain the high number of bankruptcies in 1999. Several other factors suggest the brisk consumer spending in recent years will not continue. One of the reasons for the spending slowdown is the anticipated decline in consumer confidence caused by a cooling job market. In addition, rising interest rates will dampen the demand for big-ticket items. Also, the healthy stock market gains of the last few years are not expected to continue in the near future. The two big question marks are savings and debt. It remains to be seen whether consumers will lean even harder on these two financing sources over the forecast period. The current forecast assumes real consumer spending growth will slow to nearly the same pace as real disposable income growth.

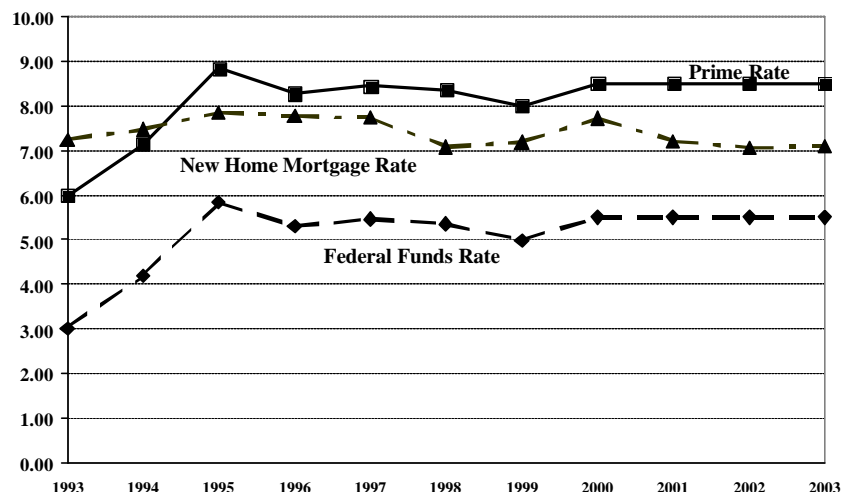
## Real Spending & Real Income Growth



Source: Standard and Poor's DRI

**Financial:** The Federal Reserve Bank raised its federal funds rate target by one-quarter percentage point to 5.5% and increased its discount rate to 5.0% in the fall of 1999. This brings the two rates back to levels seen prior to the 1998 Russian financial crises. This most recent rate hike will probably be the last of this tightening cycle. Several factors support this forecast. First, U.S. interest rates are well above those in other industrial countries. Second, although nominal interest rates are low,

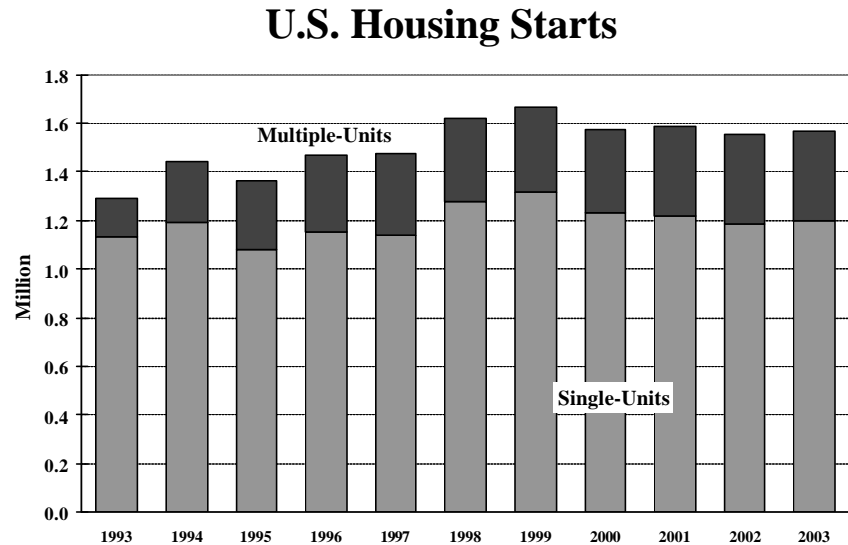
## Selected Interest Rates



Source: Standard and Poor's DRI

real interest rates are relatively high. This is because inflation is so low. Third, in order to preserve its nonpartisan image, the Federal Reserve usually does not like to make major monetary policy changes during an election year. Fourth, the nation's central bank may have shifted its emphasis away from inflation fighting and toward keeping the economy moving. In the statement announcing its recent tightening, the Federal Reserve noted that cost pressures appear generally contained, while there are tentative signs that growth may be slowing in certain interest-sensitive sectors of the economy. This should not be misconstrued to mean the Federal Reserve has abandoned its inflation-fighting vigilance. Chairman Greenspan and company have worked very hard to get the economy to perform in a nearly flawless manner. They will not hesitate to tighten if inflation threatens their hard wrought legacy.

**Housing:** The U.S. housing industry continued to grow last fall. This is not to say everything has gone smoothly for this industry in 1999. Indeed, there have been a few bumps in the road that generated fears that the housing industry's hot streak was finally cooling. For example, new home sales remained suspiciously high this summer despite rising interest rates. It was originally reported that sales of new homes were 930,000 units last August. However, this figure was later revised to 934,400.



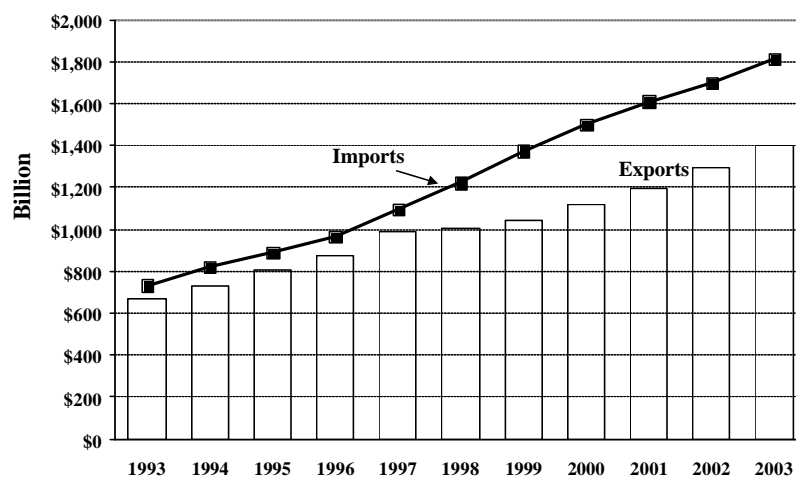
Source: Standard and Poor's DRI

This was followed by another round of weak housing reports for September 1999. Sales of new homes dropped to 848,000 units in that month. Housing starts also declined, falling 2.8% that month. In addition, the supply of unsold new homes in September rose to 4.9 months supply from August's 4.0 months supply. Some of the slowdown is attributable to the hurricanes that battered the East Coast in the fall. However, economic fundamentals played a bigger role. It appears that rising housing prices and higher interest rates have finally affected new home sales. The average price of a new home rose from \$192,400 in August to \$196,900 in September. Mortgage interest rates rose by about 90 basis points last summer. Not all of the news was bad, however. Sales of new homes rebounded strongly to a record 986,000 annual pace in October 1999. The sales of existing homes topped 5 million for the 11<sup>th</sup> consecutive month in September. A couple of factors suggest the outlook for the housing sector remains relatively strong. First, the 30-year mortgage rate has fallen recently. Second, notwithstanding the recent increases in rates and home prices, housing is still quite affordable. The National Association of Realtors' Housing Affordability Index was 127.4 in the third quarter of last year. This means that half of the families in the United States had at least 127.4% of the income needed to buy a median-priced home. This affordability has translated into a larger portion of household owning homes. About two-third of U.S. households owned their homes in 1999, which was up from around 64% in 1990. After rising to 1.67 million starts in 1999, there should be 1.57 million in 2000, 1.59 million in 2001, 1.56 million in 2002, and 1.57 million starts in 2003.

**International:** International trade has been the most notable exception to the near perfect U.S. economy. The U.S trade deficit hit \$24.9 billion annually in July 1999 and \$23.5 billion in August 1999. To put this in perspective, the trade deficit for all of 1992 was just \$27.8 billion. It is expected to rise to a whopping \$263 billion for 1999. Trade was not always this much of a drag on the economy. The weakening U.S. dollar helped to boost exports after the mid-1980s. In fact, international trade

eventually became an engine of economic growth. Unfortunately, the trade deficit ballooned after the early 1990s. Unlike the mid-1980s when the strong dollar hampered trade, the current deficit is a reflection of the U.S. economy's strength. The U.S. trade deficit was under \$100 billion as recently as 1997. This changed in 1998, when the full effects of the Asian economic crisis were felt. In that year, the strong U.S. economy helped imports to grow at a 5.6% pace, while exports actually retreated 0.2%. As a result the trade deficit grew to nearly \$150 billion in 1998. The lopsided trade situation continued in 1999, as exports rose by nearly 13.0% and imports eked out only 3.0% growth. This caused the trade deficit to deteriorate to \$263 billion in 1999. The good news is that while the trade deficit is not likely to improve over the forecast period, it is not expected to get much worse. A review of worldwide economic conditions leads to this relatively optimistic outlook for trade. Europe should enjoy stable growth over the forecast period. Most of Asia is showing signs of recovery from that region's recent meltdown. However, Japan and Indonesia are notable exceptions. Depressed commodity prices have combined with imported financial shocks and domestic political problems to produce steep output drops in Venezuela, Colombia, and Ecuador. Depressed commodity prices and excessively tight monetary policy have played havoc with the Chilean economy. However, rising commodity prices point to an improved outlook for these countries.

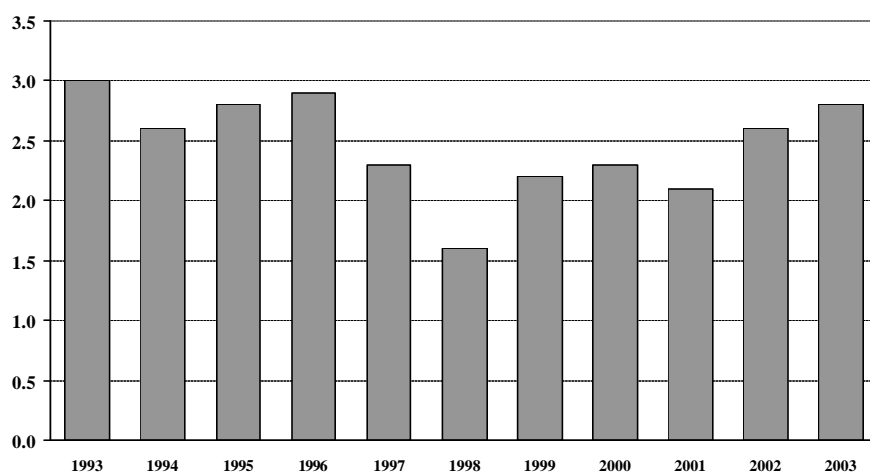
## Real U.S. Imports and Exports



Source: Standard & Poor's DRI

**Inflation:** The low inflation rate is an enigmatic, but welcome, feature of the current U.S. economy. During the second half of last year, inflation actually eased, as U.S. economic growth barreled along at a nearly 5.0% annual pace and the national unemployment rate approached record lows. Conventional wisdom suggests that inflation should be accelerating, not decelerating. Indeed, some consumer prices have risen. After falling in each quarter of 1998, the implicit price deflator for

## Consumer Price Inflation



Source: Standard and Poor's DRI

gasoline and oil soared through 1999, growing by as much as a 68% annual rate in that year's second quarter. Rising crude oil prices explain this increase. The acquisition price of foreign crude more than doubled from \$10.83 per barrel in the fourth quarter of 1998 to an estimated \$22.38 per barrel in 1999's last quarter. There are two major reasons for the price resurgence: the increased demand due to the

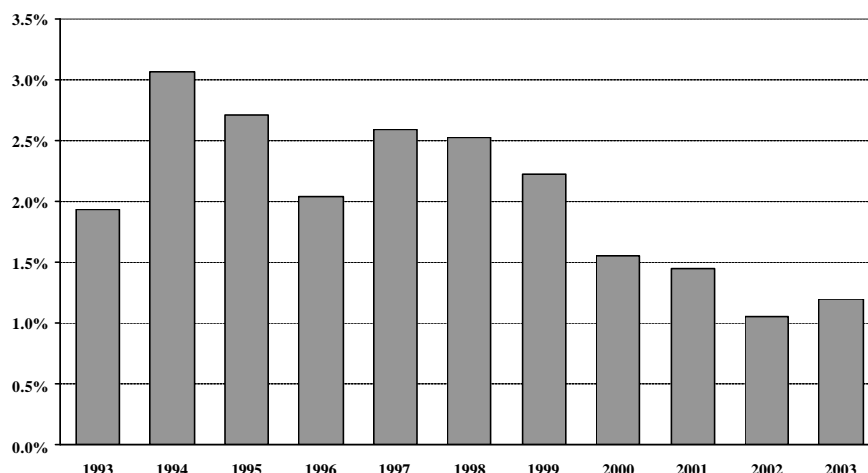


Asian economic recovery and decreased supply caused by OPEC production cuts. The latter is a bit surprising because cartels are inherently unstable and higher prices usually lead to members cheating on quotas. All members, even the notoriously inkompliant Venezuela, seem to be abiding with the current round of quotas. Late in the summer of 1999, Philip Morris announced an 18-cent increase in the price per pack of cigarettes. This raised the average per-package price of cigarettes 7.3% to \$2.65. This change covers the January 1, 2000 increase in the federal excise tax and legal obligations. Additionally, commodity prices, with the notable exception of agricultural goods, have begun to strengthen. So far, inflationary pressures have only been noticeable at the producer level; consumers have yet to experience a significant jump in overall inflation. At this point of the expansion, inflation should be heating up with wages and other employee costs putting pressure on prices. However, these costs have been relatively tame. There are several explanations for this. First, employee benefits costs increases have been kept in check by the transition from traditional fee-for-service health plans to managed care health plans. Second, healthy productivity gains seem to keep unit labor costs down. Third, U.S. manufacturing capacity utilization has remained below inflationary levels. Fourth, global competition makes raising prices more difficult for domestic businesses. Given these conditions, inflation should remain relatively tame over the forecast horizon. Specifically, consumer price inflation should remain just under 3.0% per year and producer price inflation for final goods should rise by no more than 2.5% annually.

**Employment:** After a slow start, employment is currently one of the brightest facets of the near-record economic expansion. Employment is typically one of the last parts of the economy to show improvement during an expansion. During the current one, the economy took longer to achieve full employment than the duration of most recoveries. Historical records show that peacetime recoveries have lasted an average of 29 months. In March 1992, on the expansion's first birthday, the unemployment rate had

actually jumped to 7.4%. It was 7.0% on its second birthday. Thus, with time seeming to run out, unemployment was still well above the full-employment level. It would take about four years after the recovery's start to reach full employment. A look at nonfarm employment data paints a similar picture. From 1991 to 1992, the number of nonfarm jobs in the U.S. grew a meager 0.3%. The pace improved to 1.9% in 1993. It rose again to 3.1% in 1994. Since then, nonfarm employment has grown by at least 2.0% annually. At first, the growing number of jobs available attracted more workers into the labor force, which kept the unemployment rate relatively high. Eventually, these workers found jobs and the unemployment rate began to move downward. In fact, it has moved to levels not seen in nearly three decades. In the fall of 1999, the U.S. civilian unemployment rate fell to 4.1%, which was well below the 5.4% estimate of full employment. Ironically, the tight labor market will be one of the factors limiting future job growth. This can be seen by looking at both nonfarm employment growth and unemployment. Over the forecast period nonfarm employment growth slows from 2.2% in 1999 to about 1.0% by 2003. However, the unemployment rate barely rises from 4.1% in 2000 to 4.4% in 2003, which is still a full percentage point lower than full employment.

### U.S. Nonfarm Employment Growth

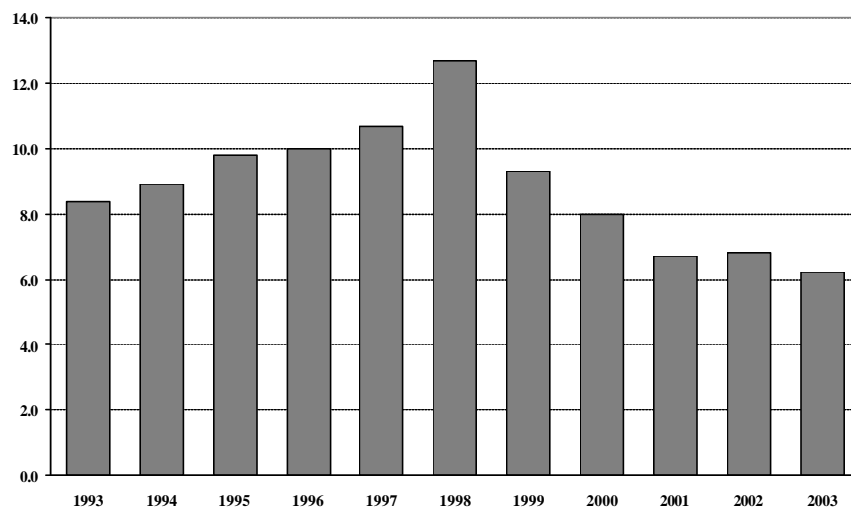


Source: Standard and Poor's DRI

**Business Investment:** Business investment has been one of the most consistent performers during the current expansion. A review of several numbers brings this point home. Real business fixed investment has grown much faster than real GDP in each year since 1992. Much of this growth was fueled by the double-digit rise in investment spending on computers and software. Economic reality made this level of investment necessary. American businesses invested heavily in technology in order to remain competitive with their global counterparts. In addition, the tightening labor

market created a need to replace labor with capital. The increased investment may help to explain why productivity has soared in recent years. Like employment, productivity got off to a slow start during this expansion, but has picked up speed recently. Output per hour actually dipped slightly in 1993, but advanced by about 2.6% in both 1998 and 1999. It should be pointed out that investment alone does not account for this surge in productivity. Some of the increase in output reflects the fact that workers are more adept at using the new technology. In previous forecasts it was anticipated that companies would hedge against Y2K-related supply disruptions with higher on hand inventories. This should have a negative impact in the first part of next year. If supply disruptions are minor, businesses will curtail production and work down stockpiles. On the other hand, if there were major supply interruptions, output would suffer. It now appears that the inventory buildup in the latter part of 1999 was not as large as had been projected earlier. Thus, the impact on GDP in the first quarter of 2000 should be smaller.

**Real Business Investment Growth**



Source: Standard and Poor's DRI

## **IDAHO FORECAST DESCRIPTION**

### **The Forecast Period is the Third Quarter of 1999 to the Fourth Quarter of 2003**

The outlook for the state's economy has changed little since the October 1999 *Idaho Economic Forecast* was released. At that time it was projected that after booming for several years, the Gem State's economic growth would take a breather and expand slower over the forecast period. It is important to note that while growth is forecast to slow, it is not expected to stall or decline. As such, the state's growth streak that began in 1987 should continue over the foreseeable future. It is anticipated that Idaho nonfarm employment growth will drift down to 2.1% in both 2000 and 2001 then rise to 2.4% in 2002, and 2.5% in 2003. While this is low compared to recent years' increases, it is still faster than its national counterpart. National growth is not expected to increase by more than 2.0% in any year of this forecast.

A closer look reveals some of the hottest and coolest Idaho employment sectors. Manufacturing is expected to enjoy above average growth over the next few years thanks to a strong showing by its electrical and nonelectrical machinery component. Not only is this the largest manufacturing category, it is also one of the fastest growing. The other durable manufacturing category should recover nicely after suffering a small decline in 2000. The outlooks for two of the state's traditional manufacturing giants are not as bright. Lumber and wood products employment is forecast to drop from 13,241 in 1999 to 11,889 in 2003. Food processing employment, on the other hand, should rise slowly. Employment in both the mining and construction industries should remain fairly stable. The services-producing sector is projected to set the pace for overall job growth. This should not come as a surprise, as it accounts for about 80% of all nonfarm jobs. Its strongest performers should be trade and services, which also happen to be its largest categories. A more detailed analysis of these and other employment sectors follow this introduction.

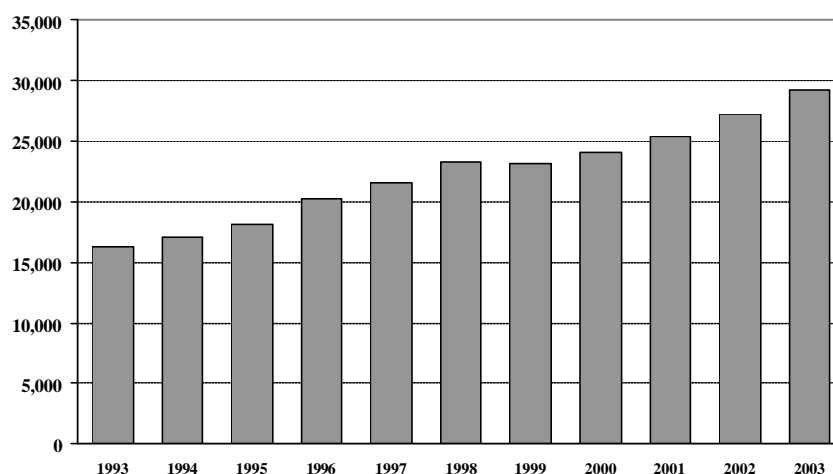
Idaho nominal personal income should chug along at a 5.5% to 6.0% annual pace over the forecast horizon. As is the case with employment, Idaho nominal personal income should grow faster than national nominal personal income. Adjusted for inflation, Idaho personal income is anticipated to rise 4.6% in 1999, 3.8% in 2000, 3.6% in 2001, 3.3% in 2002, and 3.4% in 2003. National personal income is expected to advance 4.1% in 1999, 3.4% in 2000, 3.2% in 2001, 2.4% in 2002, and 2.5% in 2003. Given Idaho's strong employment picture, it is no surprise that the lion's share of income growth should come in the form of wage and salary payments. Wage and salary payments also benefit from relatively strong annual average wage growth that is fueled by tight labor markets. Nonfarm proprietors should also propel income. From 1999 to 2003, nonfarm proprietors' income should climb from \$3.1 billion to \$3.8 billion. Unfortunately, farmers and ranchers are not expected to do as well. Farm proprietors' income is projected to grow slowly to about \$300 million, which is well below its high of \$463 million in 1996.

## **SELECTED IDAHO ECONOMIC INDICATORS**

**Electrical and Nonelectrical Machinery:** After several false starts, it appears the state's high-tech sector may once again be on the road to prosperity. This is a welcome relief from the last few years. Micron Technology, a world-class producer of computer memory products, will be the biggest beneficiary in the warmer high-tech business climate. This company's profits soared in the mid-1990s thanks to solid memory prices and continued manufacturing improvements that steadily reduced production costs. In order to take advantage of the healthy market, Micron undertook an aggressive

expansion that included a new manufacturing plant in Lehi, Utah. Unfortunately, the run of strong returns was stopped before this new factory was completed. Construction on the Lehi facility, which had been proceeding at a breakneck pace, was slowed to contain costs. This current downturn has lasted longer than most had anticipated. According to a Micron Technology press release, the price per megabit of memory declined 75% in its 1997 fiscal year, 60% in fiscal 1998, and 40% in fiscal 1999. Despite these declines, the company was able to avoid the layoffs that Micron saw (half its work force) in the mid-1980s. The recent bout of tough times has not stopped Micron from betting on the future. The company sold off some of its non-core businesses and acquired Texas Instruments' memory business in the fall of 1998. This complicated deal included several production plants that would help the company meet increased demand. One of the reasons the current slump has been so protracted is because worldwide memory manufacturing capacity has grown exponentially. For example, dynamic random access memory (DRAM) capacity in Taiwan increased from 5,000 wafers per month in 1992 to 180,000 wafers per month in 1999. Another factor that has hurt prices is the slump in demand caused by the Asian financial crises. It appears that many Asian countries' economies are on the mend (with the notable exception of Japan), and there have been some signs that demand is picking back up. Even more promising is the fact that memory prices have recently shown signs of strengthening. Hewlett-Packard is Boise's other high-tech giant. Like its Treasure Valley neighbor Micron, it too has seen its share of changes. In the past, employment at the Boise plant had been more weighted towards manufacturing. During its early 1990's heyday, the site's employment rose above 5,000 thanks in large part to the success of the company's LaserJet printers. Employment at the site is currently at about 4,000 people. During the past few years the company has emphasized research and development at the Boise plant and de-emphasized manufacturing. The company sold its LaserJet formatter board operations to Jabil Circuit, Inc. Virtually all of the employees involved with Hewlett-Packard's formatter operations transferred to Jabil. Jabil's operations are temporarily housed at the Hewlett-Packard plant until their Treasure Valley facility is completed. Idaho electrical and nonelectrical manufacturing employment is expected to decline 0.6% in 1999, then rise 4.1% in 2000, 5.2% in 2001, 7.4% in 2002, and 7.5% in 2003.

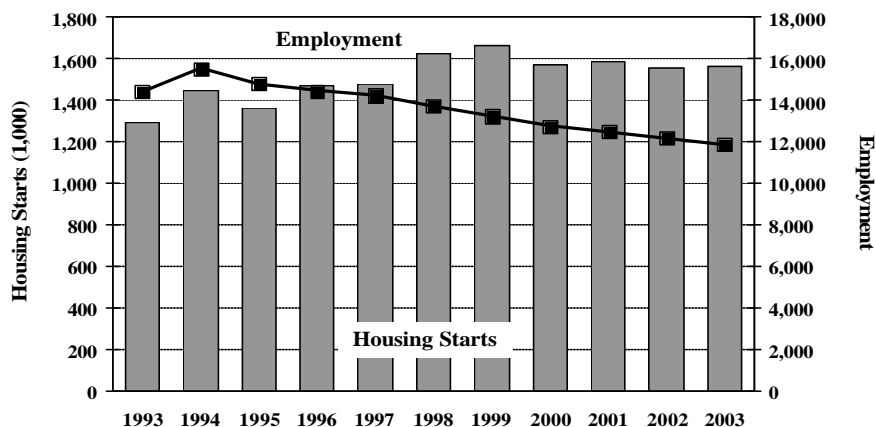
**Idaho Electrical & Nonelectrical Employment**



**Lumber and Wood Products:** The last five years have been tough for this industry and there is no relief in sight. This sector most recently peaked at around 15,500 jobs in 1993. From then to 1998, nearly 1,800 positions were lost. In 1998 alone payrolls dropped by 500 workers. Many of these losses resulted from mill closures. Closures have reached epidemic proportions in the West. For every two mills that were operating in 1990, only one was still in business in 1999. These declines were especially disappointing given the strong U.S. housing market. There were 1.62 million housing starts in the U.S. in 1998, which were a 10% improvement over 1997 and the strongest showing since 1987. As a result, U.S. consumption of softwood lumber and structural panels set new records in 1998. Given the soaring demand, it would be reasonable to expect wood product prices to climb. Instead, lumber

prices fell. This paradox—record consumption and declining prices—can be explained by looking closely at export markets. U.S. exports last year totaled just over a billion board feet, which was down 31% from 1997 and roughly half its 1994 level. Canadian overseas exports dropped 25% last year. The weakness in export markets reflected plunging demand in Asia. The natural consequence of reduced Asian demand was a North American market awash in supply—and prices declined accordingly. The recoveries in many of the smaller Asian countries have raised hopes of stronger prices. Indeed both lumber and structural product prices rose through the first half of 1999. Unfortunately, they have since retreated. Perhaps this reflects the current excess capacity in this industry. One estimate says the industry already geared up to produce 20-25% more lumber than is being consumed in North America and Asia. In the long term, employment in the lumber and wood products industry will be limited by the dwindling supply of timber from public lands. For example, Random Lengths reported that only 30% of the Idaho timber harvested in 1998 came from public lands, although 80% of the state's timber sat on public lands. The uncertainty of the public timber supply should limit future investment and further dampen employment in the Gem State's lumber and wood products sector. Gem State lumber and wood products employment should slide 3.6% in 1999, 3.7% in 2000, 1.9% in 2001, 2.7% in 2002, and 2.3% in 2003.

## Idaho Lumber & Wood Products Employment and U.S. Housing Starts

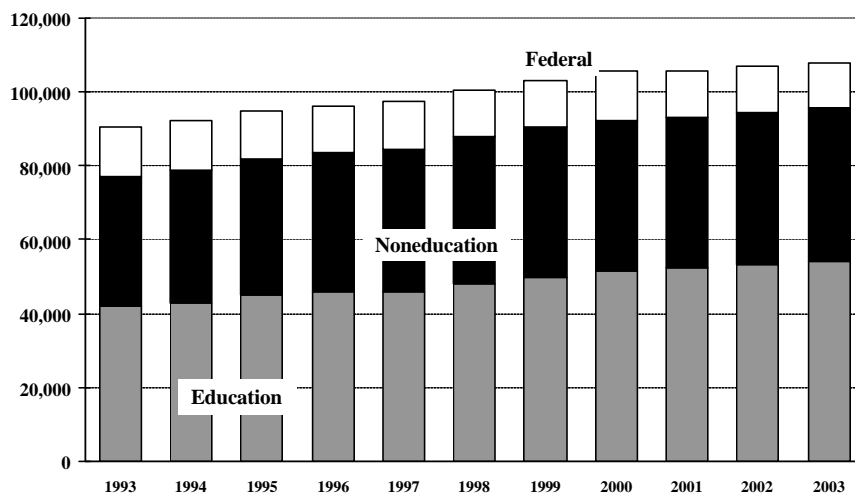


Sources: Standard and Poor's DRI and DFM

## Federal, State, and Local Governments:

The current forecast for Idaho's government sectors calls for state and local employment growth to slow and federal employment to fall. Idaho state and local government employment combined advanced over 3.5% annually during the first half of this decade, which was more than twice the national average. During this same period, the Gem State's population grew as much as three times as fast as the U.S. population and its economic growth eclipsed its national counterpart. Both Idaho population and economic growth should cool over the forecast, and this will take a toll on this sector's employment growth. State and local government employment gains will also be limited by a law that caps local government budgets. As a

## Idaho Government Employment

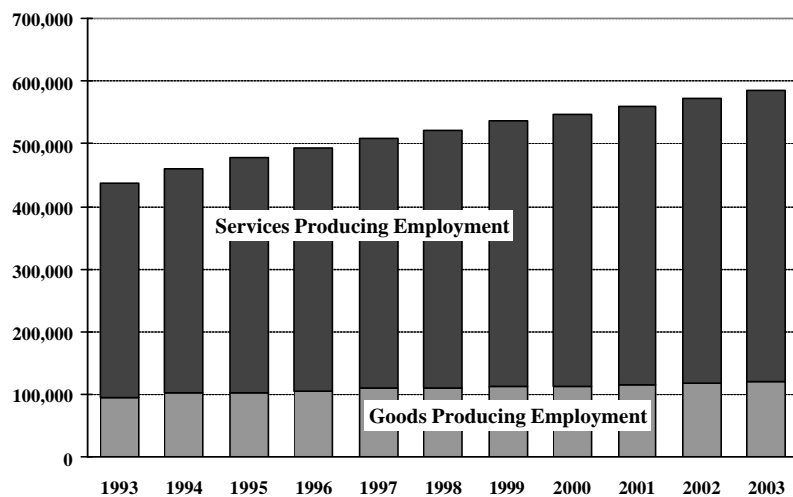


result, after leading its national counterpart for several years, Idaho state and local government employment growth will drop slightly below the national pace. Specifically, Idaho state and local employment is forecast to increase 3.1% in 1999, 1.8% in 2000, 1.3% in 2001, 1.2% in 2002, and 1.2% in 2003. Nationally, state and local government employment is anticipated to rise 2.1% in 1999, 1.7% in 2000, 1.6% in 2001, 1.4% in 2002, and 1.3% in 2003. As has traditionally been the case, most of the Idaho government employment growth should come from the education sector. It is expected to average 1.8% annual growth over the 1999-2003 period, while non-education employment is forecast to rise just 0.8% annually. Federal austerity measures should limit federal government job opportunities in Idaho. In fact, this category should see its employment fall from 12,678 in 1999 to 12,418 in 2003. It will get a short respite in the first half of this year, when the hiring of temporary census workers swells employment to 14,055. By the last quarter of 2000, however, Idaho federal employment is projected to be down to 12,597.

### Services-Producing

**Industries:** The services-producing sector is the state's largest and most diverse employment category. Alone, it accounts for about 80% all nonfarm jobs. It consists of finance, insurance, and real estate; transportation, communications, and public utilities; trade; services; and government. Even when government employment is taken out of the services-producing mix, what remains still accounts for over 60% of all jobs. Not only is this sector

### Idaho Nonfarm Employment



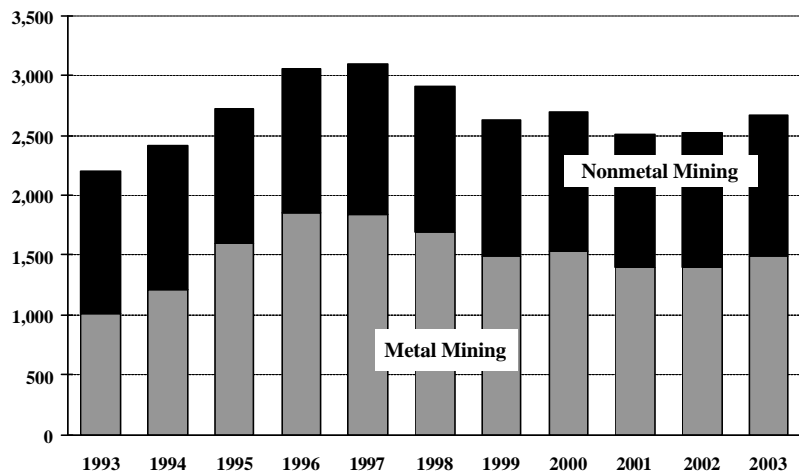
huge, it has been an important growth engine. For example, over the decade from 1988 to 1998, Idaho services-producing employment accounted for about 80% of the total job gain. This growth occurred because of favorable cyclical and structural factors. One of the most significant factors has been the increasing number of women in the labor force. This has increased the demand for a wide range of goods and services, such as childcare and meals away from home. Another change agent has been the growing number of single-person and single-parent households; due partly to the increasing number of persons delaying their first marriages and the greater number of divorced persons. In the future, the aging baby-boom generation increases the demand for services for the aged. In addition, this generation of older persons will probably be healthier than previous generations and will demand more recreational/leisure services. Structural changes will also include the way businesses operate. With the onset of the information economy, companies have more flexibility in locating their operations. They are less tied to locating near their customer base and can move to an area with a highly productive work force. Ironically, manufacturing changes have also helped service employment. Instead of taking on new employees to meet peak production, many manufacturers now hire temporary workers from employment agencies. Since these persons work for the employment agency, they are classified as service employees even though they are performing manufacturing tasks. It should be pointed out that non-economic factors also affect employment levels. For example, there has been a significant drop in the finance, insurance, and real estate category in 1998 compared to the previous year because the U.S. Bureau of Labor Statistics determined that 3,600 of the Idaho jobs reported as noncovered real estate

should be classified as self-employed. Overall, services-producing employment is projected to increase 3.1% in 1999, 2.5% in 2000, 2.2% in 2001, 2.4% in 2002, and 2.5% in 2003.

**Mining:** The state's mining sector should enter a period of relative stability after suffering back-to-back employment losses in 1998 and 1999. Mining employment fell from about 3,000 in 1997, to just over 2,600 in 1999, with both the metal and non-metal mining sectors suffering losses. Much of this decline is attributable to the Asian economic crises that depressed worldwide commodity prices. For example, lower prices contributed to the decision to cut production and lay off 75 of the 250 employees

at the Thompson Creek molybdenum mine and mill in Custer County. The Delemar Mine in Owyhee County fell victim to low gold prices. Given current conditions it may seem hard to believe that things should stabilize, but several factors suggest this is indeed possible. First, the Asian economic crisis is showing signs that it has bottomed out and this should halt the deflationary spiral, which will aid metal prices. Second, it does not appear that central banks will be selling gold on the open market. Third, many operations in Idaho have cut employment to the point where further large reductions do not seem possible. This is not to imply that the future will be without its challenges. Mining employment will also be affected by the winding down of Meridian Gold's Beartrack Mine in Lemhi County. The number of workers at the mine will shrink from the current 150 to about 15 to 25 employees by the first quarter of 2001. Metal mining is not the only category to face challenges. In addition to the slowing economy, nonmetal mining employment will suffer under the additional weight of construction and agricultural problems. The expected flattening of the construction industry will hurt certain nonmetal mining sectors, such as rock quarrying, sand, and gravel. Soft agricultural commodity prices will probably lead to acreage reductions that reduce fertilizer demand. This will affect companies in Southeast Idaho where phosphorus ore is mined and fertilizer is manufactured. Mining employment should hover between 2,500 and 2,700 over the forecast period.

### Idaho Mining Employment

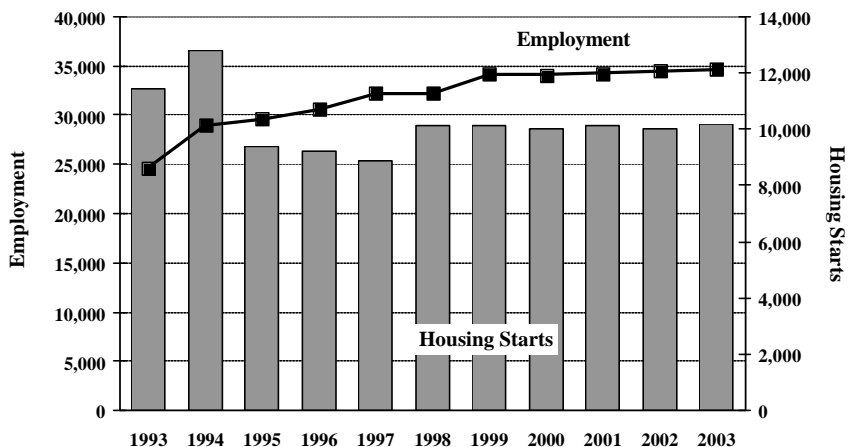


**Construction:** Idaho should conclude this decade without the help of one its most important growth engines: construction. Its absence will be missed. Like the overall Idaho economy, the construction sector started to recover in the late 1980s. In 1983, construction employment was just above 13,000. It took off briefly to about 15,000 in 1985, but retreated to 13,721 in 1987. In 1988, the current recovery took off in earnest. It started slowly at first, with employment growing by just 3.5% in 1988. It was initially fueled by the commercial sector. Construction employment continued to grow in 1988, while housing starts actually fell slightly. But housing joined the growth bandwagon soon after. Idaho housing starts increased an astounding 40.2% from 1988 to 1989 in what would become the first in a series of six straight years of double-digit growth. There were over 12,700 housing starts when this run ended in 1994. This was nearly fourfold 1988's 3,334 starts. The boom resulted from Idaho's strong population growth during that period. The Gem State was one of the nation's strongest economies during that period, and attracted thousands of newcomers into the state. The strong net in-migration

caused Idaho's population to shift from growing slower than the national rate in 1989 to growing three times the national rate by 1994. Because of the dearth of housing starts in the early 1980s, the construction industry found itself in catch-up mode during most of the boom period. This helps explain why there was no serious housing inventory overhang despite the robust growth. Housing starts did drop 26.7% in 1995, however. This realignment was a move to more sustainable levels. Despite the drop, there

were still 9,362 starts in 1995. It should also be noted that while housing starts fell in 1995, construction employment continued to grow, reflecting the strength of the nonresidential building sector. Since 1995, construction employment levels have hovered near 32,000, which is more than twice as high as in 1987. Idaho housing starts are forecast to remain near 10,000 units. Construction employment is forecast to grow slowly from 34,123 in 1999 to 34,612 in 2003.

## Idaho Construction Employment and Housing Starts





## FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses DRI's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the October 1999 to the January 2000 *Idaho Economic Forecasts*. The October 1999 Idaho forecast is based on DRI's September 1999 U.S. macroeconomic forecast and the January 2000 Idaho forecast is driven by DRI's November 1999 forecast.

This section reviews the differences between the current and previous *Idaho Economic Forecasts*. The discussion of national variables will be restricted because recent revisions have rendered comparisons between many variables meaningless. Last fall the U.S. Bureau of Economic Analysis not only revised its data, it also revised the definitions of several key concepts. For example, business investment now includes business purchases of software, which is eventually counted in GDP. Previously, software purchases were considered an intermediate good, so they were not included in GDP. This helps explain why the accompanying table shows such a huge difference between the previous and current GDP. Definitional changes have also affected U.S. personal income. Unfortunately, the revision remains a work in progress; it should be completed later this year. Thus, our analysis will be limited until the revisions are complete. However, we can look at other factors to get an idea of what has changed since the last forecast. The nonfarm data show the outlook for the nation is slightly lower than was previously projected. But these differences appear to be minor. The interest rate outlook is virtually unchanged, while the inflation is forecast to be lower.

The prospects for Idaho's economy have improved marginally. Idaho nonfarm employment is up 0.4% in 1999, 0.3% in 2000, 0.2% in 2001, and 0.6% in 2002. Idaho's goods-producing sector fares relatively better than the services-producing sector. It is anticipated that Idaho goods-producing employment will be 1.4% stronger in 1999, 1.3% higher in 2000, 0.4% stronger in 2001, and up 0.8% in 2002. On the other hand, the services-producing employment outlook has improved 0.1% in both 1999 and 2000, 0.2% in 2001, and 0.5% in 2002. Given the stronger employment growth and lower inflation, it is not surprising that Idaho real personal income is higher by 0.6% in 1999, 0.9% in 2000, 1.2% in 2001, and 1.7% in 2002.

**IDAHO ECONOMIC FORECAST**  
**FORECASTS COMPARISON**  
**DIFFERENCES BETWEEN OCTOBER 1999 AND JANUARY 2000 FORECASTS**

	1998	1999	2000	2001	2002
<b>GDP (BILLIONS)</b>					
Current \$	249	279	348	407	503
% Difference	2.9%	3.1%	3.7%	4.2%	5.0%
1992 Chain-Weighted	258	271	335	403	490
% Difference	3.4%	3.5%	4.2%	4.9%	5.8%
<b>PERSONAL INCOME - CURR \$</b>					
Idaho (Millions)	0	44	88	125	296
% Difference	0.0%	0.2%	0.3%	0.4%	0.9%
U.S. (Billions)	233	300	342	373	424
% Difference	3.3%	4.0%	4.4%	4.5%	4.9%
<b>PERSONAL INCOME - 1992 \$</b>					
Idaho (Millions)	95	134	233	317	450
% Difference	0.4%	0.6%	0.9%	1.2%	1.7%
U.S. (Billions)	233	288	334	371	404
% Difference	3.7%	4.4%	5.0%	5.4%	5.7%
<b>TOTAL NONFARM EMPLOYMENT</b>					
Idaho	-9	2,035	1,635	1,378	3,328
% Difference	0.0%	0.4%	0.3%	0.2%	0.6%
U.S. (Thousands)	0	60	-83	-344	-203
% Difference	0.0%	0.0%	-0.1%	-0.3%	-0.2%
<b>GOODS PRODUCING SECTOR</b>					
Idaho	-2	1,604	1,408	432	900
% Difference	0.0%	1.4%	1.3%	0.4%	0.8%
U.S. (Thousands)	0	14	-44	-16	187
% Difference	0.0%	0.1%	-0.2%	-0.1%	0.8%
<b>SERVICE PRODUCING SECTOR</b>					
Idaho	-7	432	227	946	2,428
% Difference	0.0%	0.1%	0.1%	0.2%	0.5%
U.S. (Thousands)	0	46	-39	-328	-390
% Difference	0.0%	0.0%	0.0%	-0.3%	-0.4%
<b>FINANCIAL MARKETS</b>					
Federal Funds Rate	0.0	0.0	0.0	0.0	0.0
Bank Prime Rate	0.0	0.0	0.0	0.0	0.0
Mort Rate, New Homes	0.0	-0.1	-0.1	-0.1	0.0
<b>INFLATION</b>					
GDP Price Deflator	-0.5	-0.4	-0.6	-0.9	-1.0
Personal Cons Deflator	-0.5	-0.5	-0.7	-1.0	-0.9
Consumer Price Index	0.0	-0.1	-0.4	-0.7	-0.6

**Forecast Begins the THIRD Quarter of 1999**

## ALTERNATIVE FORECASTS

DRI has assigned a 60% probability of occurrence to its November 1999 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP grows 3.9% in 1999, 3.4% in 2000, 3.5% in 2001, 3.0% in 2002, and 3.2% in 2003;
- U.S. nonfarm employment advances 2.2% this year, 1.6% next year, 1.4% in 2001, then averages about 1.1% thereafter;
- the U.S. civilian unemployment rate remains at least one percentage point below the full employment rate of 5.5%;
- consumer confidence peaks in 1999, then slowly tapers off over the forecast period;
- consumer inflation remains well below 3.0%;
- the federal budget surplus increases in each year of the forecast;
- and the U.S. merchandise trade deficit widens.

While the baseline scenario represents the most likely path for the national economy over the next few years, uncertainties surrounding several key variables mean other outcomes are also possible. To account for this, DRI prepares alternative forecasts based on different assumptions regarding these key variables. Two of these alternative forecasts, along with their impacts on the Idaho economy, are discussed below.

While it is believed the economy will not suffer a recession over the forecast period, it should be noted the risk of a recession is high. A review of the probabilities of occurrence for each forecast scenario shows this. The baseline does not include a recession and its probability of occurrence is 60%. However, both of the alternative scenarios do contain recessions and their combined probability of occurrence is 40%. This implies the chances of the economy not suffering a recession over the next few years are better than even.

### STOCK-MARKET-CORRECTION SCENARIO

The *Stock-Market-Correction Scenario* has been assigned a 10% probability of occurrence. An early recession might be triggered by a collapse of the U.S. stock market. One estimate suggests the stock market is overvalued by 30%. A correction of this magnitude would send shock waves through the U.S. economy. A stock market crash would destroy consumer wealth and confidence. Consumers would react to this by curbing spending and increasing savings. However, the impacts of the crash would not end at our shores. It could derail the Asian recoveries, which would exacerbate the U.S. downturn. It is assumed that this correction comes early next year and a recession results shortly thereafter.

This recession is relatively short lived. The Federal Reserve has been very responsive to threats to the U.S. economy's health. While it may not be able to prevent a recession, the central bank can contain the damage by moving quickly to lower interest rates after a stock market correction. Thankfully, the current low-inflation environment should provide enough maneuverability to make this possible. This downturn would be unique. In the postwar era, every recession has been preceded by a jump in core inflation rate. This recession would commence without such a jump.

As the table on the facing page shows, Idaho's economy takes its biggest hits in 2000 and 2001. Total nonfarm employment, which was expected to grow 2.1% in both 2000 and 2001 in the baseline case, averages about 1.35% growth in both years in the *Stock-Market-Correction Scenario*.

**IDAHO ECONOMIC FORECAST**  
**BASELINE AND ALTERNATIVE FORECASTS**  
**JANUARY 2000**

	BASELINE				STOCK MARKET CORRECTION				LATE RECESSION			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
<b>GDP (BILLIONS)</b>												
Current \$	9,228	9,671	10,159	10,649	9,228	9,414	9,712	10,239	9,228	9,705	10,208	10,243
% Ch	5.3%	4.8%	5.0%	4.8%	5.3%	2.0%	3.2%	5.4%	5.3%	5.2%	5.2%	0.3%
1992 Chain-Weighted	8,113	8,386	8,676	8,939	8,113	8,170	8,373	8,751	8,113	8,400	8,625	8,454
% Ch	3.9%	3.4%	3.5%	3.0%	3.9%	0.7%	2.5%	4.5%	3.9%	3.5%	2.7%	-2.0%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	27,524	29,056	30,615	32,329	27,524	28,737	29,879	31,481	27,524	29,069	30,744	31,996
% Ch	6.3%	5.6%	5.4%	5.6%	6.3%	4.4%	4.0%	5.4%	6.3%	5.6%	5.8%	4.1%
U.S. (Billions)	7,783	8,188	8,592	8,992	7,783	8,067	8,274	8,651	7,783	8,187	8,617	8,792
% Ch	5.8%	5.2%	4.9%	4.6%	5.8%	3.6%	2.6%	4.5%	5.8%	5.2%	5.2%	2.0%
<b>PERSONAL INCOME - 1992 \$</b>												
Idaho (Millions)	24,147	25,059	25,954	26,808	24,147	24,844	25,581	26,539	24,146	24,992	25,753	26,030
% Ch	4.6%	3.8%	3.6%	3.3%	4.6%	2.9%	3.0%	3.7%	4.6%	3.5%	3.0%	1.1%
U.S. (Billions)	6,827	7,061	7,284	7,456	6,827	6,973	7,084	7,292	6,827	7,039	7,218	7,153
% Ch	4.1%	3.4%	3.2%	2.4%	4.1%	2.1%	1.6%	2.9%	4.1%	3.1%	2.5%	-0.9%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho (Thousands)	535.7	547.1	558.8	572.2	535.7	543.3	550.2	566.6	535.7	547.1	556.9	559.5
% Ch	2.7%	2.1%	2.1%	2.4%	2.7%	1.4%	1.3%	3.0%	2.7%	2.1%	1.8%	0.5%
U.S. (Millions)	128.6	130.6	132.5	133.9	128.6	129.1	128.5	130.8	128.6	130.6	132.1	129.1
% Ch	2.2%	1.6%	1.4%	1.0%	2.2%	0.4%	-0.4%	1.8%	2.2%	1.6%	1.1%	-2.3%
<b>GOODS PRODUCING SECTOR</b>												
Idaho (Thousands)	112.8	113.6	115.7	118.6	112.8	110.9	111.7	116.6	112.8	114.0	115.9	112.9
% Ch	1.4%	0.7%	1.9%	2.5%	1.4%	-1.7%	0.7%	4.4%	1.4%	1.1%	1.6%	-2.6%
U.S. (Millions)	25.2	24.8	24.7	24.6	25.2	24.3	23.4	23.8	25.2	24.8	24.5	23.1
% Ch	-0.5%	-1.6%	-0.6%	-0.1%	-0.5%	-3.5%	-3.7%	1.7%	-0.5%	-1.6%	-1.1%	-5.6%
<b>SERVICE PRODUCING SECTOR</b>												
Idaho (Thousands)	422.9	433.5	443.0	453.6	422.9	432.3	438.5	450.0	422.9	433.1	441.0	446.6
% Ch	3.1%	2.5%	2.2%	2.4%	3.1%	2.2%	1.4%	2.6%	3.1%	2.4%	1.8%	1.3%
U.S. (Millions)	103.4	105.9	107.9	109.3	103.4	104.7	105.1	107.0	103.4	105.8	107.5	105.9
% Ch	2.9%	2.4%	1.9%	1.3%	2.9%	1.3%	0.3%	1.8%	2.9%	2.4%	1.6%	-1.5%
<b>FINANCIAL MARKETS</b>												
Federal Funds Rate	5.0%	5.5%	5.5%	5.5%	5.0%	4.7%	4.2%	4.3%	5.0%	5.3%	6.3%	6.1%
Bank Prime Rate	8.0%	8.5%	8.5%	8.5%	8.0%	7.7%	7.2%	7.3%	8.0%	8.3%	9.3%	9.1%
Mort Rate, New Homes	7.2%	7.7%	7.2%	7.0%	7.2%	7.6%	6.9%	6.9%	7.2%	7.6%	7.5%	8.0%
<b>INFLATION</b>												
GDP Price Deflator	1.3%	1.4%	1.6%	1.8%	1.3%	1.3%	0.7%	0.9%	1.3%	1.6%	2.5%	2.4%
Personal Cons Deflator	1.6%	1.7%	1.7%	2.2%	1.6%	1.5%	1.0%	1.6%	1.6%	2.0%	2.6%	3.0%
Consumer Price Index	2.2%	2.3%	2.1%	2.6%	2.2%	2.1%	1.3%	1.8%	2.2%	2.7%	3.1%	3.3%

Forecast Begins the **THIRD** Quarter of 1999

Goods-producing employment actually declines nearly 2.0% this year and rises less than 1.0% in 2001. Services-producing employment growth tapers down to 2.2% in 2000 and 1.4% in 2001. Total nonfarm employment does post a strong recovery in 2002, but it is not enough to overcome the weaknesses of the previous two years. In 2002, Idaho total nonfarm employment is about 5,600 lower than its baseline counterpart. Idaho real personal income also grows slower in 2000 and 2001. Like employment, it too fails to make up ground lost during 2000 and 2001 despite a relatively strong showing in 2002.

## **LATE-RECESSION SCENARIO**

The *Late-Recession Scenario* has been assigned a 30% probability of occurrence. This scenario is a more typical end-of-expansion recession than the *Stock-Market-Correction Scenario* discussed above. In the *Late-Recession Scenario* the U.S. economy grows stronger in 1999-2000 than in the baseline. The unemployment rate stays low and the U.S. stock market keeps climbing. Both of these factors keep consumer confidence buoyant. As a result, consumer spending continues to boom. In addition to the strong domestic economy, the recovery in Asia causes worldwide demand to strengthen. But this stronger growth comes at the price of higher inflation. Commodity prices recover along with foreign demand. Wage pressures grow as the U.S. labor market is stretched to its limit. Despite the signs of increasing inflation, the Federal Reserve is slow to tighten. This policy mistake proves costly.

The nation's central bank attempts to make up for delayed tightening by raising interest rates sharply. In the fall of 2001 the federal funds rate is at 6.75%. Because of the delayed response to inflation, the recession spirals downward, resulting in a peak-to-trough decline of 2.7%. While this recession would be about average by historical standards, it would be deeper and longer than the recession experienced in the *Stock-Market-Correction Scenario*.

In this scenario, Idaho's economy departs significantly from its baseline counterpart beginning in 2001. Idaho nonfarm employment increases just 1.8% in 2001 and 0.5% in 2002. In the *Baseline Scenario* it advances 2.1% in 2001 and 2.4% in 2002. The goods-producing sector is hit harder than the services-producing sector. The former rises 1.6% in 2001 then declines 2.6% in 2002. The latter grows 1.8% next year and 1.3% in 2002. Idaho real personal income advances 3.5% this year, 3.0% next year, and 1.1% in 2002. In the baseline case, this measure rises 3.8% in 2000, 3.6% in 2001, and 3.3% in 2002.

## PROJECTING BUDGET SURPLUSES\*

Carl E. Walsh

After 15 years of federal budget deficits that overwhelmed every discussion of fiscal policy, the United States now faces the prospect of huge budget surpluses for the foreseeable future—that is, if recent projections by the Clinton administration and the Congressional Budget Office can be believed. But can they? During the 1980s, projections of future deficits were notoriously inaccurate as forecasts of actual deficits, especially for projections far out into the future. The last two years have seen enormous revisions in the projection surpluses, and future years are likely to see similarly large revisions. This article discusses the nature of the budget projections, the sources of the revisions, and the appropriate interpretation of the projections.

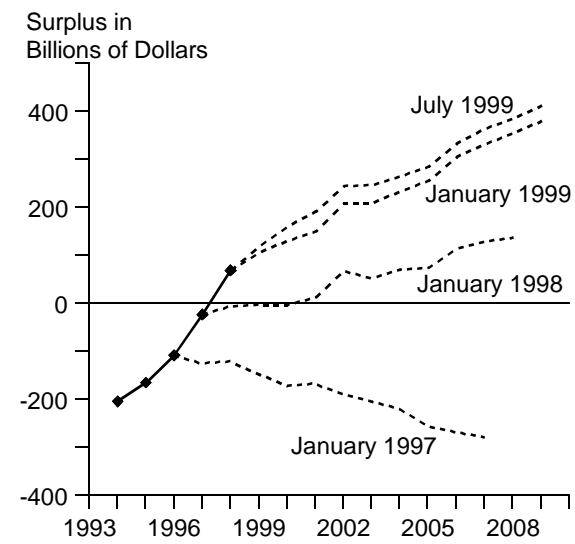
### **The Budget Revisions.**

Each year, the Congressional Budget Office (CBO) produces an analysis of the Federal government budget looking out ten years. Figure 1 illustrates how the budget outlook has changed dramatically over the past four years. Each dashed line shows the projected path of the deficit or surplus made at the time indicated next to each line. Each projection starts from the actual deficit at the time of the projection, represented by the points on the solid line. In January 1997, the actual budget deficit of \$107 billion in 1996 was projected to grow to \$124 billion in 1997 and swell to \$278 billion by 2007. The CBO's projection for the 1997 deficit turned out to be off by over \$100 billion—the projected \$124 billion deficit turned into an actual deficit of \$22 billion. This was just the first evidence that the budget outlook was about to take a huge swing. The real change in the outlook for the federal budget shows up in the CBO's 1998 report. Rather than a continuation of budget deficits, the CBO projected a balanced budget through the year 2000 with rising surpluses thereafter. Looking further out, the revisions between the January 1997 and January 1998 CBO reports were enormous. The 2007 projection shifted from a deficit of \$278 billion to a projected surplus of \$129 billion, a swing of over \$400 billion! The budget picture continued to improve—the \$5 billion deficit projected for 1998 turned out to be off by \$75 billion, with the federal government actually running a surplus of \$70 billion, its first since 1969. By January 1999, the 2007 surplus had been revised up again, this time to \$333 billion, an increase of over \$200 billion. Just over two years ago, the CBO was projecting a cumulative deficit between 1999 and 2007 of \$1.9 trillion; today it is projecting a \$2.2 trillion surplus over those same years. These large projected surpluses have been the focus of much debate in Washington. The turnaround in the projections in such a short period of time raises a number of questions. First, how should we interpret these projections? Are they forecasts? Or are they something else? How "good" are the projections? And what sorts of assumptions lie behind them?

---

\* Reprinted from the Federal Reserve Bank of San Francisco *Economic Letter*, Number 99-27, September 10, 1999. The opinions expressed in this newsletter do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco, or of the Board of Governors of the Federal Reserve System.

**Figure 1**  
**Changing budget projections**



## **Conceptual Issues.**

Perhaps the first aspect to clarify is that projections are not forecasts. A forecast is the best guess today of the outcome of some future event. Making a forecast of the future surplus would require forecasting the likely path of government expenditures and receipts, and answering a question like: "What is the most likely value of the surplus for 2001?" That is not what the CBO does. Rather, it tries to answer a question like: "Under current expenditure and tax revenues programs, what is the likely value of the surplus in 2001?" These two questions are quite different. For example, it is clear that, faced with projected surpluses, the President and Congress will not leave current expenditure and tax revenue programs unchanged. Both houses of Congress have already passed large tax cuts that would reduce the projected surpluses if signed into law. Expenditures also are likely to rise. As a result, the actual surplus the federal government will have in the future will be significantly below the levels currently being projected. If the government raises spending enough, or cuts taxes enough, the budget might turn out to be balanced in future years and no actual surplus will ever occur. In fact, the Clinton administration's budget report shows a zero surplus for future years by assuming all extra funds will be set aside pending Social Security and Medicare reforms. This won't mean the projections were wrong, it is just that the projections are based on current policies, and the projections will cause those very policies to be changed in ways that alter the budget.

## **What Caused the Big Revisions?**

Because projections are based on current policies as well as forecasts about economic development, three factors lead to revisions. First, government policies change. Second, forecasts about the economy change. Third, estimates of tax collections and spending may change even if policies and economic forecasts remain unchanged. While each of these factors has played a role in accounting for the marked change in budget projections, the two primary changes affecting the budget projections were the policy changes included in The Balanced Budget and Taxpayer Relief Act of 1997 and the continued strong growth of the U.S. economy. The 1997 budget act is estimated to have cut the deficit by \$127 billion over the 1998-2002 period, with most of the savings resulting from slowing the growth of Medicare spending. Caps on future discretionary spending also were lowered; these caps now require that the dollar value of discretionary spending remain constant between 1999 and 2002. (Congress can override these caps by passing legislation for emergency spending, as it did for expenses related to the war in Kosovo.) Constant nominal expenditures translate into a real decline in discretionary spending. For the period 1999 to 2007, these policy changes added over \$600 billion to the surplus projections. The continued strong performance of the U.S. economy has had an even larger effect on the projected surpluses. In January 1998, the CBO was forecasting 2.7% real GDP growth for 1998; actual growth came in a full percentage point higher, at 3.7%. By January 1999, the CBO had revised its estimate of average real growth for the 1999-2008 period from 2.1% per year to almost 2.3%. These upward revisions in expected growth add to the surplus by raising projected revenues and lowering expenditures. These effects can be quite large. Revisions in the outlook for inflation and interest rates also have led to improvements in the budget outlook. Between January 1998 and January 1999, the CBO reduced its forecast for average CPI inflation over the 1999-2000 period from 2.8% per year to 2.6%. Lower inflation reduces the cost-of-living adjustments to Social Security, leading to a larger projected surplus. Forecasts of lower interest rates also improve the budget picture by reducing interest costs on the government's debt. To sum up, while the CBO was projecting the policy changes in the 1997 budget act would add \$600 billion to the 1999-2007 surplus, it also changed its economic assumptions, which added \$1 trillion to the surplus projections. In just the three months between September 1997 and January 1998, the CBO increased the projected surplus for 1998 alone by \$22 billion and for 1999 by \$28 billion due to changes in their economic assumptions. Between January 1998 and January 1999, similar changes added a further \$270 billion to the projected surpluses over the six years from 1999 to 2004.



### **From Policy Assumptions to Forecasts.**

The assumptions about government expenditures that lie behind the budget projections have come under heavy criticism. Expenditures projections are based on current policies, and these include caps on discretionary spending (spending on items other than mandatory spending, such as entitlement programs, and net interest) that were part of the 1997 budget act. These caps expire in 2002. The CBO's projections make two controversial assumptions—that the spending caps will be met and that, after they expire, discretionary spending will increase only enough to keep pace with inflation. Under the spending caps, discretionary spending for 2000 is limited to \$587 billion. Simply freezing dollar expenditures at 1999's level (excluding 1999 emergency spending) would still level discretionary spending \$13 billion over the cap for 2000. Allowing spending to rise to reflect inflation so that real discretionary spending remained frozen would put spending \$24 billion over the caps next year. Congress and the president would need to agree on \$24 billion in expenditure cuts for next year to remain consistent with the spending assumptions that are built into the projections. It seems fair to be skeptical that they will cut existing programs in the face of huge projected surpluses. Actual expenditures are likely, therefore, to exceed the levels incorporated into the projections. Current projections assume federal outlays will fall from 19.5% of GDP in 1999 to just over 17% in 2009, while receipts will hover around 20%. Figure 2 shows how rarely the percent of GDP devoted to outlays has ever been so low or that devoted to taxes so high.

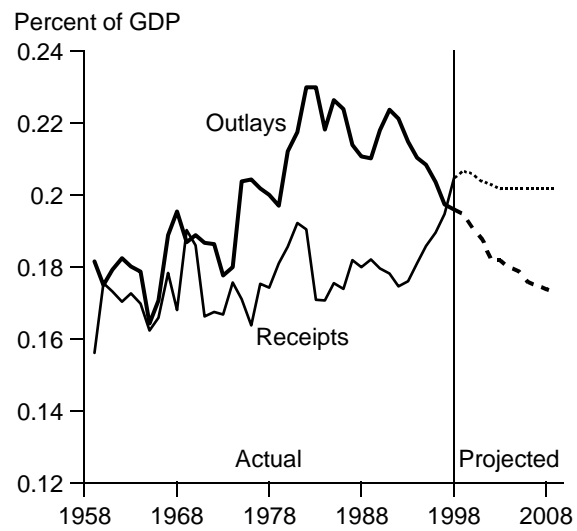
### **Economic Assumptions.**

Changes in the economy also have the potential to alter the budget outlook drastically. A downward revision in forecasts for economic growth would lower future tax revenues and alter the projections. For example, the \$1.2 trillion projected surplus over 1999-2004 would be reduced by over \$300 billion if the economy were to grow 1% slower than assumed. Given the difficulties in forecasting future economic developments, the budget projections are subject to great uncertainty even if government policies remain constant. A final factor to keep in mind is that changes in policy also will affect the economic forecasts. If government expenditures rise, or taxes are cut, national savings will be lower and interest rates will rise. This, in turn, will alter the projections for future interest expenditures.

### **Will the Surpluses Actually Occur?**

By their very nature, budget projections are likely to be wrong. Projections of large deficits, for example, should lead Congress and the President to change course to head off ballooning deficits. If the projections serve their purpose in leading to policy changes, the projected deficits will not occur. So one interpretation of projection revisions is simply that the initial projections lead to the policy changes that invalidate the projections. Similarly, the current projected surpluses are triggering changes in spending and revenue policies, changes that mean actual surpluses will be much smaller than current projections show. Most economists, while opposing any requirement that the federal government balance its budget every year, do accept that notion that the budget should balance over longer time horizons. This requires that periods of budget deficits, such as those of the 1980s and most of the 1990s, be balanced by a period of surpluses. The U.S. struggled for fifteen years to eliminate the federal deficit; current proposals by Congress and the administration would eliminate the surplus in much less time.

**Figure 2**  
**Outlays and receipts**



# **IDAHO ECONOMIC FORECAST**

**JANUARY 2000**

## **FORECAST DETAIL**

Annual Forecast 1984-2003 ..... Page 30

Quarterly Forecast 1997-2002..... Page 44

### **Reporting Conventions**

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### **Data Sources**

National forecast data are provided by Standard and Poor's DRI and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### DEMOGRAPHICS

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>POPULATION</b>										
Idaho (Thousands)	991.5	993.8	990.5	986.6	988.5	996.7	1,010.7	1,037.5	1,068.1	1,098.4
% Ch	0.9%	0.2%	-0.3%	-0.4%	0.2%	0.8%	1.4%	2.6%	3.0%	2.8%
National (Millions)	236.6	238.7	240.9	243.1	245.3	247.7	250.3	253.0	255.7	258.4
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.1%	1.1%	1.1%	1.0%
<b>BIRTHS</b>										
Idaho (Thousands)	17.996	17.5385	16.4235	15.905	15.759	15.863	16.423	16.741	17.197	17.575
% Ch	-4.0%	-2.5%	-6.4%	-3.2%	-0.9%	0.7%	3.5%	1.9%	2.7%	2.2%
National (Thousands)	3,669.0	3,761.0	3,757.0	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0	3,997.0
% Ch	0.8%	2.5%	-0.1%	1.4%	2.7%	3.4%	2.9%	-1.2%	-1.8%	-1.0%
<b>DEATHS</b>										
Idaho (Thousands)	7.229	7.105	7.345	7.307	7.611	7.389	7.358	7.644	7.887	8.277
% Ch	0.3%	-1.7%	3.4%	-0.5%	4.2%	-2.9%	-0.4%	3.9%	3.2%	4.9%
National (Thousands)	2,039.0	2,086.0	2,105.0	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0	2,237.0
% Ch	1.0%	2.3%	0.9%	0.9%	2.1%	-0.8%	0.6%	0.0%	2.2%	1.2%
<b>NET MIGRATION</b>										
Idaho (Thousands)	-1.487	-8.149	-12.390	-12.541	-6.249	-0.251	4.984	17.628	21.365	20.977
<b>HOUSING</b>										
<b>HOUSING STARTS</b>										
Idaho	4,548	4,337	4,164	3,409	3,334	4,674	5,831	6,600	9,583	11,456
% Ch	2.1%	-4.6%	-4.0%	-18.1%	-2.2%	40.2%	24.8%	13.2%	45.2%	19.5%
National (Millions)	1.766	1.741	1.812	1.631	1.488	1.382	1.203	1.009	1.201	1.292
% Ch	3.6%	-1.4%	4.0%	-10.0%	-8.7%	-7.1%	-12.9%	-16.2%	19.1%	7.5%
<b>SINGLE UNITS</b>										
Idaho	3,588	3,212	3,157	2,744	2,981	3,711	4,786	5,662	7,899	8,938
% Ch	-4.5%	-10.5%	-1.7%	-13.1%	8.6%	24.5%	29.0%	18.3%	39.5%	13.2%
National (Millions)	1.098	1.071	1.182	1.154	1.083	1.006	0.901	0.835	1.032	1.131
% Ch	3.1%	-2.5%	10.4%	-2.4%	-6.2%	-7.1%	-10.5%	-7.3%	23.6%	9.6%
<b>MULTIPLE UNITS</b>										
Idaho	961	1,125	1,007	665	353	963	1,046	938	1,684	2,518
% Ch	37.6%	17.1%	-10.5%	-33.9%	-47.0%	173.2%	8.6%	-10.3%	79.6%	49.5%
National (Millions)	0.668	0.671	0.630	0.476	0.405	0.376	0.303	0.174	0.170	0.161
% Ch	4.3%	0.4%	-6.1%	-24.3%	-15.0%	-7.2%	-19.5%	-42.6%	-2.4%	-5.1%
<b>HOUSING STOCK</b>										
Idaho (Thousands)	315.4	318.7	322.1	324.8	327.1	330.1	334.8	339.8	347.4	356.9
% Ch	1.2%	1.0%	1.1%	0.8%	0.7%	0.9%	1.4%	1.5%	2.2%	2.7%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### DEMOGRAPHICS

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>POPULATION</b>										
Idaho (Thousands)	1,131.0	1,159.9	1,186.7	1,211.0	1,231.0	1,251.7	1,271.8	1,290.1	1,308.1	1,326.0
% Ch	3.0%	2.6%	2.3%	2.0%	1.7%	1.7%	1.6%	1.4%	1.4%	1.4%
National (Millions)	260.9	263.3	265.8	268.2	270.6	272.9	275.2	277.5	279.8	282.0
% Ch	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%
<b>BIRTHS</b>										
Idaho (Thousands)	17.690	17.915	18.482	18.599	19.188	19.699	19.927	20.163	20.437	20.645
% Ch	0.7%	1.3%	3.2%	0.6%	3.2%	2.7%	1.2%	1.2%	1.4%	1.0%
National (Thousands)	3,964.0	3,935.0	3,911.0	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0	3,901.0
% Ch	-0.8%	-0.7%	-0.6%	-0.5%	-0.3%	-0.2%	-0.1%	0.1%	0.2%	0.4%
<b>DEATHS</b>										
Idaho (Thousands)	8.478	8.553	8.679	8.953	9.105	9.259	9.411	9.552	9.692	9.832
% Ch	2.4%	0.9%	1.5%	3.2%	1.7%	1.7%	1.6%	1.5%	1.5%	1.4%
National (Thousands)	2,264.0	2,291.0	2,318.0	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0	2,487.0
% Ch	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%	0.8%
<b>NET MIGRATION</b>										
Idaho (Thousands)	23.411	19.563	16.982	14.572	9.966	10.291	9.602	7.615	7.288	7.120
<b>HOUSING</b>										
<b>HOUSING STARTS</b>										
Idaho	12,768	9,362	9,222	8,858	10,124	10,128	10,020	10,137	10,009	10,153
% Ch	11.5%	-26.7%	-1.5%	-3.9%	14.3%	0.0%	-1.1%	1.2%	-1.3%	1.4%
National (Millions)	1.446	1.361	1.469	1.476	1.623	1.665	1.573	1.585	1.556	1.567
% Ch	12.0%	-5.9%	7.9%	0.5%	10.0%	2.6%	-5.5%	0.7%	-1.8%	0.7%
<b>SINGLE UNITS</b>										
Idaho	9,422	7,281	7,850	7,657	9,043	9,162	9,141	9,310	9,143	9,306
% Ch	5.4%	-22.7%	7.8%	-2.5%	18.1%	1.3%	-0.2%	1.8%	-1.8%	1.8%
National (Millions)	1.191	1.082	1.154	1.137	1.279	1.315	1.229	1.221	1.189	1.197
% Ch	5.4%	-9.2%	6.7%	-1.5%	12.5%	2.8%	-6.6%	-0.7%	-2.6%	0.6%
<b>MULTIPLE UNITS</b>										
Idaho	3,346	2,081	1,372	1,201	1,081	966	878	827	867	847
% Ch	32.9%	-37.8%	-34.1%	-12.4%	-10.0%	-10.6%	-9.1%	-5.9%	4.8%	-2.3%
National (Millions)	0.255	0.279	0.314	0.338	0.344	0.349	0.344	0.364	0.367	0.370
% Ch	58.3%	9.4%	12.7%	7.7%	1.6%	1.6%	-1.5%	5.8%	0.8%	0.9%
<b>HOUSING STOCK</b>										
Idaho (Thousands)	368.7	377.8	386.2	393.7	402.3	411.3	420.0	428.9	437.6	446.4
% Ch	3.3%	2.4%	2.2%	1.9%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### OUTPUT, INCOME, & WAGES

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>GROSS DOM. PRODUCT (Billions)</b>										
Current Dollars	3,902.4	4,180.7	4,422.2	4,692.3	5,049.6	5,438.7	5,743.8	5,916.7	6,244.5	6,580.9
% Ch	11.0%	7.1%	5.8%	6.1%	7.6%	7.7%	5.6%	3.0%	5.5%	5.4%
1992 Chain-Weighted	5,140.1	5,323.5	5,487.7	5,649.4	5,865.2	6,062.0	6,136.3	6,079.4	6,244.4	6,410.7
% Ch	7.0%	3.6%	3.1%	2.9%	3.8%	3.4%	1.2%	-0.9%	2.7%	2.7%
<b>PERSONAL INCOME - CURR \$</b>										
Idaho (Millions)	10,681	11,264	11,549	12,081	12,920	14,203	15,528	16,267	17,700	19,475
% Ch	7.5%	5.5%	2.5%	4.6%	6.9%	9.9%	9.3%	4.8%	8.8%	10.0%
Idaho Nonfarm (Millions)	10,178	10,803	11,073	11,495	12,285	13,344	14,551	15,465	16,892	18,339
% Ch	8.9%	6.1%	2.5%	3.8%	6.9%	8.6%	9.0%	6.3%	9.2%	8.6%
National (Billions)	3,211	3,441	3,640	3,878	4,179	4,496	4,796	4,966	5,256	5,513
% Ch	11.0%	7.1%	5.8%	6.5%	7.8%	7.6%	6.7%	3.5%	5.8%	4.9%
<b>PERSONAL INCOME - 1992 \$</b>										
Idaho (Millions)	14,602	14,853	14,807	14,921	15,321	16,058	16,713	16,800	17,698	18,964
% Ch	3.5%	1.7%	-0.3%	0.8%	2.7%	4.8%	4.1%	0.5%	5.3%	7.2%
Idaho Nonfarm (Millions)	13,914	14,245	14,196	14,197	14,568	15,087	15,660	15,972	16,891	17,858
% Ch	4.9%	2.4%	-0.3%	0.0%	2.6%	3.6%	3.8%	2.0%	5.8%	5.7%
National (Billions)	4,391	4,537	4,666	4,790	4,956	5,084	5,162	5,129	5,256	5,369
% Ch	6.9%	3.3%	2.8%	2.6%	3.5%	2.6%	1.5%	-0.6%	2.5%	2.1%
<b>PER CAPITA PERS INC - CURR \$</b>										
Idaho	10,772	11,334	11,660	12,246	13,071	14,250	15,363	15,679	16,569	17,727
% Ch	6.5%	5.2%	2.9%	5.0%	6.7%	9.0%	7.8%	2.1%	5.7%	7.0%
National	13,572	14,412	15,107	15,952	17,035	18,154	19,163	19,628	20,553	21,336
% Ch	10.0%	6.2%	4.8%	5.6%	6.8%	6.6%	5.6%	2.4%	4.7%	3.8%
<b>PER CAPITA PERS INC - 1992 \$</b>										
Idaho	14,726	14,946	14,949	15,125	15,500	16,112	16,536	16,194	16,569	17,263
% Ch	2.6%	1.5%	0.0%	1.2%	2.5%	3.9%	2.6%	-2.1%	2.3%	4.2%
National	18,555	19,006	19,369	19,704	20,204	20,527	20,624	20,274	20,553	20,778
% Ch	5.9%	2.4%	1.9%	1.7%	2.5%	1.6%	0.5%	-1.7%	1.4%	1.1%
<b>AVERAGE ANNUAL WAGE</b>										
Idaho	16,058	16,646	17,182	17,620	18,331	18,891	19,755	20,549	21,472	21,980
% Ch	3.8%	3.7%	3.2%	2.5%	4.0%	3.1%	4.6%	4.0%	4.5%	2.4%
National	19,650	20,494	21,305	22,292	23,323	24,083	25,205	26,120	27,501	27,900
% Ch	5.1%	4.3%	4.0%	4.6%	4.6%	3.3%	4.7%	3.6%	5.3%	1.5%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### OUTPUT, INCOME, & WAGES

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>GROSS DOM. PRODUCT (Billions)</b>										
Current Dollars	7,054.3	7,400.6	7,813.2	8,300.7	8,760.0	9,227.5	9,671.4	10,159.5	10,649.0	11,213.3
% Ch	7.2%	4.9%	5.6%	6.2%	5.5%	5.3%	4.8%	5.0%	4.8%	5.3%
1992 Chain-Weighted	6,728.9	6,911.7	7,164.9	7,487.6	7,809.6	8,112.5	8,385.6	8,676.4	8,938.7	9,226.0
% Ch	5.0%	2.7%	3.7%	4.5%	4.3%	3.9%	3.4%	3.5%	3.0%	3.2%
<b>PERSONAL INCOME - CURR \$</b>										
Idaho (Millions)	20,628	22,062	23,418	24,651	25,901	27,524	29,056	30,615	32,329	34,254
% Ch	5.9%	7.0%	6.1%	5.3%	5.1%	6.3%	5.6%	5.4%	5.6%	6.0%
Idaho Nonfarm (Millions)	19,979	21,371	22,644	23,958	25,254	26,783	28,296	29,836	31,530	33,432
% Ch	8.9%	7.0%	6.0%	5.8%	5.4%	6.1%	5.6%	5.4%	5.7%	6.0%
National (Billions)	5,888	6,201	6,547	6,951	7,359	7,783	8,188	8,592	8,992	9,442
% Ch	6.8%	5.3%	5.6%	6.2%	5.9%	5.8%	5.2%	4.9%	4.6%	5.0%
<b>PERSONAL INCOME - 1992 \$</b>										
Idaho (Millions)	19,674	20,582	21,412	22,170	23,075	24,147	25,059	25,954	26,808	27,728
% Ch	3.7%	4.6%	4.0%	3.5%	4.1%	4.6%	3.8%	3.6%	3.3%	3.4%
Idaho Nonfarm (Millions)	19,054	19,937	20,705	21,547	22,499	23,496	24,404	25,294	26,145	27,062
% Ch	6.7%	4.6%	3.8%	4.1%	4.4%	4.4%	3.9%	3.6%	3.4%	3.5%
National (Billions)	5,616	5,785	5,986	6,251	6,556	6,827	7,061	7,284	7,456	7,643
% Ch	4.6%	3.0%	3.5%	4.4%	4.9%	4.1%	3.4%	3.2%	2.4%	2.5%
<b>PER CAPITA PERS INC - CURR \$</b>										
Idaho	18,236	19,018	19,732	20,355	21,040	21,988	22,844	23,730	24,713	25,831
% Ch	2.9%	4.3%	3.8%	3.2%	3.4%	4.5%	3.9%	3.9%	4.1%	4.5%
National	22,568	23,547	24,636	25,918	27,197	28,518	29,751	30,963	32,140	33,477
% Ch	5.8%	4.3%	4.6%	5.2%	4.9%	4.9%	4.3%	4.1%	3.8%	4.2%
<b>PER CAPITA PERS INC - 1992 \$</b>										
Idaho	17,393	17,743	18,043	18,307	18,745	19,290	19,703	20,118	20,493	20,910
% Ch	0.8%	2.0%	1.7%	1.5%	2.4%	2.9%	2.1%	2.1%	1.9%	2.0%
National	21,525	21,968	22,526	23,309	24,229	25,016	25,658	26,250	26,651	27,100
% Ch	3.6%	2.1%	2.5%	3.5%	3.9%	3.2%	2.6%	2.3%	1.5%	1.7%
<b>AVERAGE ANNUAL WAGE</b>										
Idaho	22,748	23,627	24,106	24,798	25,790	26,963	28,094	29,297	30,468	31,670
% Ch	3.5%	3.9%	2.0%	2.9%	4.0%	4.5%	4.2%	4.3%	4.0%	3.9%
National	28,358	29,224	30,323	31,701	33,274	34,774	36,297	37,901	39,463	41,066
% Ch	1.6%	3.1%	3.8%	4.5%	5.0%	4.5%	4.4%	4.4%	4.1%	4.1%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### PERSONAL INCOME -- CURR \$\$

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>WAGE AND SALARY PAYMENTS</b>										
Idaho (Millions)	5,587	5,883	5,930	6,172	6,701	7,247	7,969	8,531	9,309	9,994
% Ch	7.4%	5.3%	0.8%	4.1%	8.6%	8.2%	10.0%	7.0%	9.1%	7.4%
National (Billions)	1,855	1,996	2,117	2,273	2,454	2,598	2,757	2,828	2,986	3,088
% Ch	10.1%	7.6%	6.0%	7.4%	8.0%	5.9%	6.1%	2.5%	5.6%	3.4%
<b>FARM PROPRIETORS INCOME</b>										
Idaho (Millions)	349	306	333	445	473	685	774	604	606	914
% Ch	-19.0%	-12.1%	8.8%	33.5%	6.4%	44.8%	13.0%	-22.0%	0.4%	50.7%
National (Billions)	23	24	24	32	27	36	35	29	37	31
% Ch	462.4%	1.8%	2.6%	30.4%	-12.9%	32.1%	-2.3%	-17.4%	26.7%	-15.6%
<b>NONFARM PROPRIETORS INCOME</b>										
Idaho (Millions)	1,045	1,123	1,166	1,251	1,353	1,457	1,530	1,478	1,775	2,071
% Ch	24.1%	7.5%	3.9%	7.2%	8.2%	7.6%	5.0%	-3.4%	20.2%	16.7%
National (Billions)	226	245	255	274	308	321	339	347	387	421
% Ch	20.1%	8.6%	4.2%	7.2%	12.5%	4.3%	5.4%	2.5%	11.4%	8.9%
<b>DIVIDENDS, RENT &amp; INTEREST</b>										
Idaho (Millions)	1,990	2,096	2,161	2,179	2,252	2,505	2,680	2,773	2,814	3,007
% Ch	11.3%	5.3%	3.1%	0.8%	3.3%	11.2%	7.0%	3.5%	1.5%	6.9%
National (Billions)	598	636	671	695	755	853	900	905	884	933
% Ch	14.9%	6.4%	5.5%	3.6%	8.6%	12.9%	5.6%	0.5%	-2.3%	5.6%
<b>OTHER LABOR INCOME</b>										
Idaho (Millions)	542	579	588	634	679	755	867	964	1,088	1,218
% Ch	6.3%	6.8%	1.6%	7.8%	7.1%	11.3%	14.8%	11.2%	12.8%	12.0%
National (Billions)	189	203	216	235	252	273	301	323	351	410
% Ch	6.6%	7.5%	6.3%	9.0%	6.9%	8.5%	10.1%	7.4%	8.9%	16.7%
<b>GOVT. TRANSFERS TO INDIV.</b>										
Idaho (Millions)	1,534	1,681	1,778	1,820	1,940	2,086	2,278	2,539	2,790	3,038
% Ch	1.8%	9.6%	5.8%	2.3%	6.6%	7.5%	9.2%	11.5%	9.9%	8.9%
National (Billions)	454	487	519	543	578	626	688	770	858	883
% Ch	3.2%	7.3%	6.6%	4.8%	6.3%	8.4%	9.9%	11.9%	11.5%	2.9%
<b>CONTRIB. FOR SOCIAL INSUR.</b>										
Idaho (Millions)	434	480	499	519	593	661	719	787	850	919
% Ch	9.1%	10.4%	4.0%	4.0%	14.3%	11.6%	8.8%	9.4%	8.0%	8.2%
National (Billions)	133	149	162	174	194	211	224	236	248	255
% Ch	10.9%	12.3%	8.8%	7.1%	11.8%	8.6%	6.2%	5.3%	5.3%	2.5%
<b>RESIDENCE ADJUSTMENT</b>										
Idaho (Millions)	70	76	92	101	116	130	150	165	167	151
% Ch	20.8%	9.3%	20.3%	9.8%	15.4%	11.8%	15.6%	10.0%	1.2%	-9.9%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999



# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### PERSONAL INCOME -- CURR \$\$

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>WAGE AND SALARY PAYMENTS</b>										
Idaho (Millions)	10,926	11,742	12,336	13,116	13,995	15,050	16,006	17,023	18,104	19,257
% Ch	9.3%	7.5%	5.1%	6.3%	6.7%	7.5%	6.4%	6.4%	6.4%	6.4%
National (Billions)	3,237	3,425	3,627	3,889	4,186	4,471	4,742	5,023	5,285	5,563
% Ch	4.8%	5.8%	5.9%	7.2%	7.6%	6.8%	6.1%	5.9%	5.2%	5.3%
<b>FARM PROPRIETORS INCOME</b>										
Idaho (Millions)	365	379	463	354	266	295	289	297	307	317
% Ch	-60.0%	3.7%	22.3%	-23.7%	-24.8%	11.0%	-2.0%	2.8%	3.3%	3.3%
National (Billions)	32	22	34	29	25	29	22	22	22	24
% Ch	1.9%	-30.5%	54.4%	-14.0%	-15.0%	17.4%	-25.6%	-1.7%	3.8%	8.6%
<b>NONFARM PROPRIETORS INCOME</b>										
Idaho (Millions)	2,307	2,408	2,519	2,704	2,885	3,123	3,249	3,400	3,578	3,780
% Ch	11.4%	4.4%	4.6%	7.3%	6.7%	8.3%	4.0%	4.7%	5.2%	5.6%
National (Billions)	445	476	511	549	581	625	650	677	709	746
% Ch	5.5%	6.9%	7.4%	7.6%	5.8%	7.6%	3.9%	4.2%	4.7%	5.1%
<b>DIVIDENDS, RENT &amp; INTEREST</b>										
Idaho (Millions)	3,303	3,583	3,920	4,166	4,295	4,454	4,708	4,880	5,070	5,338
% Ch	9.8%	8.5%	9.4%	6.3%	3.1%	3.7%	5.7%	3.7%	3.9%	5.3%
National (Billions)	1,087	1,164	1,238	1,318	1,383	1,437	1,509	1,557	1,604	1,669
% Ch	16.5%	7.1%	6.3%	6.5%	4.9%	3.9%	5.0%	3.2%	3.0%	4.1%
<b>OTHER LABOR INCOME</b>										
Idaho (Millions)	1,361	1,365	1,322	1,329	1,360	1,428	1,507	1,592	1,693	1,803
% Ch	11.7%	0.3%	-3.1%	0.5%	2.3%	5.0%	5.5%	5.6%	6.3%	6.6%
National (Billions)	507	497	490	501	516	536	557	579	602	626
% Ch	23.8%	-2.1%	-1.4%	2.2%	3.0%	4.0%	3.9%	4.0%	3.8%	4.1%
<b>GOV'T. TRANSFERS TO INDIV.</b>										
Idaho (Millions)	3,222	3,510	3,814	3,991	4,154	4,305	4,499	4,712	4,959	5,232
% Ch	6.0%	8.9%	8.7%	4.6%	4.1%	3.6%	4.5%	4.8%	5.2%	5.5%
National (Billions)	834	886	929	962	984	1,018	1,059	1,106	1,160	1,222
% Ch	-5.6%	6.2%	4.8%	3.6%	2.2%	3.5%	4.0%	4.4%	5.0%	5.3%
<b>CONTRIB. FOR SOCIAL INSUR.</b>										
Idaho (Millions)	1,017	1,109	1,169	1,257	1,329	1,430	1,525	1,634	1,749	1,866
% Ch	10.6%	9.1%	5.4%	7.5%	5.8%	7.6%	6.6%	7.2%	7.0%	6.6%
National (Billions)	254	269	280	298	316	334	351	372	390	409
% Ch	-0.2%	5.8%	4.3%	6.3%	6.0%	5.8%	5.1%	5.8%	5.0%	4.8%
<b>RESIDENCE ADJUSTMENT</b>										
Idaho (Millions)	161	185	212	248	277	300	323	345	368	392
% Ch	6.6%	15.1%	14.7%	17.0%	11.6%	8.2%	7.9%	6.6%	6.6%	6.6%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### EMPLOYMENT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>TOTAL NONFARM EMPLOYMENT</b>										
Idaho	330,206	335,909	328,271	333,449	348,268	366,016	385,332	398,118	416,605	436,734
% Ch	3.9%	1.7%	-2.3%	1.6%	4.4%	5.1%	5.3%	3.3%	4.6%	4.8%
National (Thousands)	94,404	97,387	99,344	101,953	105,202	107,883	109,404	108,255	108,591	110,692
% Ch	4.7%	3.2%	2.0%	2.6%	3.2%	2.5%	1.4%	-1.1%	0.3%	1.9%
<b>GOODS PRODUCING SECTOR</b>										
Idaho	73,326	73,580	69,608	70,345	75,624	80,312	85,478	86,521	90,495	96,081
% Ch	8.7%	0.3%	-5.4%	1.1%	7.5%	6.2%	6.4%	1.2%	4.6%	6.2%
National (Thousands)	24,718	24,843	24,536	24,673	25,123	25,253	24,909	23,749	23,232	23,351
% Ch	6.0%	0.5%	-1.2%	0.6%	1.8%	0.5%	-1.4%	-4.7%	-2.2%	0.5%
<b>MANUFACTURING</b>										
Idaho	54,602	54,660	52,103	54,056	58,139	60,572	62,888	63,218	65,751	69,250
% Ch	8.7%	0.1%	-4.7%	3.7%	7.6%	4.2%	3.8%	0.5%	4.0%	5.3%
National (Thousands)	19,375	19,250	18,948	18,998	19,315	19,391	19,075	18,405	18,106	18,076
% Ch	5.1%	-0.6%	-1.6%	0.3%	1.7%	0.4%	-1.6%	-3.5%	-1.6%	-0.2%
<b>DURABLE MANUFACTURING</b>										
Idaho	27,566	26,759	25,524	26,831	29,560	32,176	34,065	33,144	34,793	37,496
% Ch	8.4%	-2.9%	-4.6%	5.1%	10.2%	8.9%	5.9%	-2.7%	5.0%	7.8%
National (Thousands)	11,477	11,458	11,195	11,154	11,363	11,394	11,107	10,568	10,279	10,222
% Ch	7.2%	-0.2%	-2.3%	-0.4%	1.9%	0.3%	-2.5%	-4.9%	-2.7%	-0.6%
<b>LUMBER &amp; WOOD PRODUCTS</b>										
Idaho	14,213	13,506	13,240	13,379	13,984	14,747	14,897	13,470	14,004	14,408
% Ch	2.5%	-5.0%	-2.0%	1.1%	4.5%	5.5%	1.0%	-9.6%	4.0%	2.9%
National (Thousands)	718	711	724	754	768	757	733	675	680	709
% Ch	7.1%	-0.9%	1.8%	4.1%	1.8%	-1.4%	-3.1%	-7.9%	0.7%	4.3%
<b>STONE, CLAY, GLASS, etc.</b>										
Idaho	2,785	2,783	2,761	2,804	2,878	3,276	3,387	3,291	3,199	3,364
% Ch	4.0%	-0.1%	-0.8%	1.6%	2.7%	13.8%	3.4%	-2.8%	-2.8%	5.2%
National (Thousands)	2,023	2,021	1,977	1,954	1,996	2,014	1,975	1,877	1,843	1,856
% Ch	6.0%	-0.1%	-2.2%	-1.2%	2.2%	0.9%	-1.9%	-5.0%	-1.8%	0.7%
<b>ELEC &amp; NONELEC MACH</b>										
Idaho	8,765	8,528	7,652	8,422	9,577	11,096	12,596	13,197	14,476	16,271
% Ch	18.3%	-2.7%	-10.3%	10.1%	13.7%	15.9%	13.5%	4.8%	9.7%	12.4%
National (Thousands)	4,087	4,054	3,864	3,777	3,853	3,869	3,768	3,591	3,457	3,456
% Ch	8.8%	-0.8%	-4.7%	-2.2%	2.0%	0.4%	-2.6%	-4.7%	-3.7%	0.0%
<b>OTHER DURABLES</b>										
Idaho	1,803	1,941	1,871	2,226	3,121	3,057	3,185	3,186	3,115	3,453
% Ch	22.9%	7.7%	-3.6%	19.0%	40.2%	-2.0%	4.2%	0.0%	-2.2%	10.9%
National (Thousands)	4,649	4,672	4,631	4,669	4,747	4,755	4,632	4,426	4,299	4,200
% Ch	6.4%	0.5%	-0.9%	0.8%	1.7%	0.2%	-2.6%	-4.4%	-2.9%	-2.3%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL JANUARY 2000

### EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>TOTAL NONFARM EMPLOYMENT</b>										
Idaho	461,160	477,374	492,568	508,761	521,566	535,692	547,138	558,752	572,169	586,241
% Ch	5.6%	3.5%	3.2%	3.3%	2.5%	2.7%	2.1%	2.1%	2.4%	2.5%
National (Thousands)	114,135	117,189	119,594	122,673	125,803	128,567	130,649	132,539	133,912	135,466
% Ch	3.1%	2.7%	2.1%	2.6%	2.6%	2.2%	1.6%	1.4%	1.0%	1.2%
<b>GOODS PRODUCING SECTOR</b>										
Idaho	103,289	103,401	106,560	109,904	111,246	112,829	113,605	115,717	118,580	121,471
% Ch	7.5%	0.1%	3.1%	3.1%	1.2%	1.4%	0.7%	1.9%	2.5%	2.4%
National (Thousands)	23,906	24,275	24,492	24,961	25,345	25,207	24,795	24,656	24,643	24,625
% Ch	2.4%	1.5%	0.9%	1.9%	1.5%	-0.5%	-1.6%	-0.6%	-0.1%	-0.1%
<b>MANUFACTURING</b>										
Idaho	71,886	71,043	72,904	74,610	76,119	76,080	76,866	79,013	81,544	84,189
% Ch	3.8%	-1.2%	2.6%	2.3%	2.0%	-0.1%	1.0%	2.8%	3.2%	3.2%
National (Thousands)	18,323	18,525	18,495	18,676	18,773	18,418	18,049	17,930	17,976	17,990
% Ch	1.4%	1.1%	-0.2%	1.0%	0.5%	-1.9%	-2.0%	-0.7%	0.3%	0.1%
<b>DURABLE MANUFACTURING</b>										
Idaho	40,635	42,131	44,069	45,536	47,175	46,938	47,233	48,517	50,502	52,768
% Ch	8.4%	3.7%	4.6%	3.3%	3.6%	-0.5%	0.6%	2.7%	4.1%	4.5%
National (Thousands)	10,448	10,683	10,788	11,010	11,171	10,981	10,773	10,684	10,736	10,778
% Ch	2.2%	2.2%	1.0%	2.1%	1.5%	-1.7%	-1.9%	-0.8%	0.5%	0.4%
<b>LUMBER &amp; WOOD PRODUCTS</b>										
Idaho	15,521	14,794	14,444	14,240	13,733	13,241	12,753	12,510	12,169	11,889
% Ch	7.7%	-4.7%	-2.4%	-1.4%	-3.6%	-3.6%	-3.7%	-1.9%	-2.7%	-2.3%
National (Thousands)	754	769	778	796	813	827	828	834	841	845
% Ch	6.3%	2.0%	1.2%	2.3%	2.1%	1.7%	0.2%	0.8%	0.8%	0.4%
<b>STONE, CLAY, GLASS, etc.</b>										
Idaho	3,853	4,221	4,340	4,415	4,336	4,448	4,378	4,403	4,491	4,570
% Ch	14.5%	9.5%	2.8%	1.7%	-1.8%	2.6%	-1.6%	0.6%	2.0%	1.8%
National (Thousands)	1,920	1,977	1,992	2,031	2,065	2,057	2,029	2,010	2,028	2,045
% Ch	3.4%	3.0%	0.8%	2.0%	1.7%	-0.4%	-1.4%	-0.9%	0.9%	0.9%
<b>ELEC &amp; NONELEC MACH</b>										
Idaho	17,114	18,193	20,266	21,585	23,309	23,169	24,109	25,352	27,239	29,280
% Ch	5.2%	6.3%	11.4%	6.5%	8.0%	-0.6%	4.1%	5.2%	7.4%	7.5%
National (Thousands)	3,560	3,692	3,775	3,858	3,907	3,790	3,745	3,739	3,772	3,774
% Ch	3.0%	3.7%	2.3%	2.2%	1.3%	-3.0%	-1.2%	-0.2%	0.9%	0.1%
<b>OTHER DURABLES</b>										
Idaho	4,147	4,923	5,018	5,297	5,797	6,080	5,993	6,251	6,603	7,028
% Ch	20.1%	18.7%	1.9%	5.5%	9.4%	4.9%	-1.4%	4.3%	5.6%	6.4%
National (Thousands)	4,214	4,245	4,243	4,326	4,386	4,307	4,171	4,101	4,096	4,114
% Ch	0.3%	0.7%	-0.1%	1.9%	1.4%	-1.8%	-3.2%	-1.7%	-0.1%	0.4%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### EMPLOYMENT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>MANUFACTURING (continued)</b>										
<b>NONDURABLE MANUFACTURING</b>										
Idaho	27,036	27,901	26,579	27,225	28,579	28,396	28,824	30,075	30,958	31,754
% Ch	8.9%	3.2%	-4.7%	2.4%	5.0%	-0.6%	1.5%	4.3%	2.9%	2.6%
National (Thousands)	7,898	7,791	7,753	7,845	7,952	7,997	7,968	7,837	7,827	7,854
% Ch	2.2%	-1.3%	-0.5%	1.2%	1.4%	0.6%	-0.4%	-1.6%	-0.1%	0.4%
<b>FOOD PROCESSING</b>										
Idaho	16,622	16,580	15,412	16,099	17,336	16,984	16,805	17,487	17,818	18,564
% Ch	2.2%	-0.3%	-7.0%	4.5%	7.7%	-2.0%	-1.1%	4.1%	1.9%	4.2%
National (Thousands)	1,612	1,601	1,607	1,617	1,626	1,645	1,661	1,667	1,662	1,680
% Ch	-0.2%	-0.7%	0.4%	0.6%	0.6%	1.1%	1.0%	0.4%	-0.3%	1.1%
<b>CANNED, CURED, &amp; FROZEN</b>										
Idaho	10,741	10,942	9,867	10,612	11,331	11,225	11,065	11,747	12,094	12,531
% Ch	3.4%	1.9%	-9.8%	7.5%	6.8%	-0.9%	-1.4%	6.2%	3.0%	3.6%
<b>OTHER FOOD PROCESSING</b>										
Idaho	5,881	5,638	5,544	5,487	6,004	5,759	5,740	5,740	5,725	6,033
% Ch	0.0%	-4.1%	-1.7%	-1.0%	9.4%	-4.1%	-0.3%	0.0%	-0.3%	5.4%
<b>PAPER, PRINTING, PUBLISH.</b>										
Idaho	5,474	5,984	5,946	6,067	6,373	6,592	6,976	7,179	7,172	7,145
% Ch	9.3%	9.3%	-0.6%	2.0%	5.0%	3.4%	5.8%	2.9%	-0.1%	-0.4%
National (Thousands)	2,049	2,097	2,123	2,177	2,232	2,251	2,266	2,223	2,197	2,209
% Ch	5.0%	2.3%	1.2%	2.5%	2.5%	0.9%	0.6%	-1.9%	-1.2%	0.5%
<b>CHEMICALS</b>										
Idaho	3,500	3,573	3,335	3,273	3,536	3,523	3,554	3,903	4,277	4,250
% Ch	62.7%	2.1%	-6.6%	-1.9%	8.0%	-0.3%	0.9%	9.8%	9.6%	-0.6%
National (Thousands)	1,049	1,044	1,021	1,025	1,057	1,074	1,086	1,076	1,084	1,081
% Ch	0.6%	-0.5%	-2.2%	0.4%	3.2%	1.6%	1.1%	-0.9%	0.8%	-0.3%
<b>OTHER NONDURABLES</b>										
Idaho	1,440	1,765	1,886	1,786	1,335	1,297	1,488	1,505	1,690	1,795
% Ch	2.9%	22.6%	6.9%	-5.3%	-25.3%	-2.8%	14.8%	1.1%	12.3%	6.2%
National (Thousands)	3,188	3,049	3,002	3,026	3,037	3,027	2,955	2,871	2,883	2,885
% Ch	2.3%	-4.3%	-1.6%	0.8%	0.3%	-0.3%	-2.4%	-2.9%	0.4%	0.1%
<b>MINING</b>										
Idaho	4,177	3,852	2,893	2,568	3,280	3,673	3,873	3,086	2,605	2,199
%Ch	3.2%	-7.8%	-24.9%	-11.2%	27.7%	12.0%	5.4%	-20.3%	-15.6%	-15.6%
National (Thousands)	965	927	777	717	712	691	709	689	634	609
%Ch	1.4%	-4.0%	-16.1%	-7.7%	-0.7%	-3.0%	2.6%	-2.8%	-8.0%	-3.9%
<b>METAL MINING</b>										
Idaho	2,803	2,599	1,919	1,595	2,140	2,612	2,754	1,994	1,453	1,007
%Ch	6.3%	-7.3%	-26.2%	-16.9%	34.2%	22.0%	5.5%	-27.6%	-27.1%	-30.7%
<b>OTHER MINING</b>										
Idaho	1,373	1,253	973	973	1,140	1,061	1,119	1,092	1,152	1,192
% Ch	-2.7%	-8.8%	-22.3%	0.0%	17.2%	-6.9%	5.4%	-2.4%	5.5%	3.5%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL JANUARY 2000

### EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>MANUFACTURING (continued)</b>										
<b>NONDURABLE MANUFACTURING</b>										
Idaho	31,252	28,912	28,835	29,074	28,944	29,143	29,633	30,496	31,042	31,421
% Ch	-1.6%	-7.5%	-0.3%	0.8%	-0.4%	0.7%	1.7%	2.9%	1.8%	1.2%
National (Thousands)	7,875	7,842	7,706	7,666	7,602	7,438	7,275	7,246	7,240	7,212
% Ch	0.3%	-0.4%	-1.7%	-0.5%	-0.8%	-2.2%	-2.2%	-0.4%	-0.1%	-0.4%
<b>FOOD PROCESSING</b>										
Idaho	18,019	17,505	17,463	17,657	17,286	17,445	17,747	18,269	18,473	18,516
% Ch	-2.9%	-2.9%	-0.2%	1.1%	-2.1%	0.9%	1.7%	2.9%	1.1%	0.2%
National (Thousands)	1,679	1,692	1,692	1,685	1,686	1,681	1,651	1,663	1,680	1,682
% Ch	-0.1%	0.8%	0.0%	-0.4%	0.0%	-0.3%	-1.8%	0.7%	1.0%	0.1%
<b>CANNED, CURED, &amp; FROZEN</b>										
Idaho	11,705	10,864	10,679	10,551	9,995	10,061	10,107	10,464	10,670	10,578
% Ch	-6.6%	-7.2%	-1.7%	-1.2%	-5.3%	0.7%	0.5%	3.5%	2.0%	-0.9%
<b>OTHER FOOD PROCESSING</b>										
Idaho	6,314	6,641	6,784	7,106	7,291	7,384	7,640	7,805	7,803	7,937
% Ch	4.7%	5.2%	2.2%	4.7%	2.6%	1.3%	3.5%	2.2%	0.0%	1.7%
<b>PAPER, PRINTING, PUBLISH.</b>										
Idaho	7,090	7,119	7,191	7,216	7,441	7,350	7,323	7,426	7,584	7,700
% Ch	-0.8%	0.4%	1.0%	0.3%	3.1%	-1.2%	-0.4%	1.4%	2.1%	1.5%
National (Thousands)	2,230	2,239	2,224	2,235	2,240	2,213	2,188	2,194	2,212	2,213
% Ch	0.9%	0.4%	-0.7%	0.5%	0.2%	-1.2%	-1.1%	0.3%	0.8%	0.0%
<b>CHEMICALS</b>										
Idaho	4,135	2,345	2,333	2,285	2,357	2,338	2,434	2,572	2,686	2,818
% Ch	-2.7%	-43.3%	-0.5%	-2.1%	3.2%	-0.8%	4.1%	5.7%	4.5%	4.9%
National (Thousands)	1,057	1,038	1,034	1,036	1,043	1,034	1,021	1,020	1,023	1,021
% Ch	-2.2%	-1.8%	-0.4%	0.2%	0.6%	-0.8%	-1.2%	-0.2%	0.3%	-0.1%
<b>OTHER NONDURABLES</b>										
Idaho	2,008	1,944	1,848	1,917	1,860	2,010	2,130	2,229	2,299	2,388
% Ch	11.9%	-3.2%	-4.9%	3.7%	-3.0%	8.1%	5.9%	4.7%	3.1%	3.9%
National (Thousands)	2,910	2,873	2,756	2,709	2,634	2,510	2,416	2,370	2,325	2,295
% Ch	0.9%	-1.3%	-4.0%	-1.7%	-2.8%	-4.7%	-3.8%	-1.9%	-1.9%	-1.3%
<b>MINING</b>										
Idaho	2,419	2,726	3,062	3,098	2,903	2,626	2,701	2,503	2,518	2,670
%Ch	10.0%	12.7%	12.3%	1.2%	-6.3%	-9.5%	2.9%	-7.3%	0.6%	6.0%
National (Thousands)	601	581	580	597	590	535	534	497	469	457
%Ch	-1.5%	-3.3%	-0.2%	2.9%	-1.0%	-9.4%	-0.1%	-6.9%	-5.6%	-2.6%
<b>METAL MINING</b>										
Idaho	1,211	1,593	1,848	1,843	1,692	1,489	1,538	1,395	1,401	1,486
%Ch	20.2%	31.6%	16.0%	-0.3%	-8.2%	-12.0%	3.4%	-9.3%	0.4%	6.1%
<b>OTHER MINING</b>										
Idaho	1,208	1,133	1,215	1,256	1,211	1,138	1,163	1,108	1,117	1,184
% Ch	1.4%	-6.2%	7.2%	3.4%	-3.6%	-6.0%	2.2%	-4.7%	0.8%	6.0%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### EMPLOYMENT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>GOODS PRODUCING (continued)</b>										
<b>CONSTRUCTION</b>										
Idaho	14,547	15,067	14,612	13,721	14,205	16,067	18,716	20,216	22,139	24,631
% Ch	10.8%	3.6%	-3.0%	-6.1%	3.5%	13.1%	16.5%	8.0%	9.5%	11.3%
National (Thousands)	4,378	4,667	4,810	4,958	5,096	5,171	5,125	4,655	4,492	4,665
% Ch	11.0%	6.6%	3.1%	3.1%	2.8%	1.5%	-0.9%	-9.2%	-3.5%	3.9%
<b>SERVICE PRODUCING SECTOR</b>										
Idaho	256,880	262,330	258,663	263,104	272,644	285,704	299,855	311,597	326,110	340,654
% Ch	2.6%	2.1%	-1.4%	1.7%	3.6%	4.8%	5.0%	3.9%	4.7%	4.5%
National (Thousands)	69,686	72,544	74,809	77,280	80,079	82,630	84,495	84,506	85,359	87,341
% Ch	4.3%	4.1%	3.1%	3.3%	3.6%	3.2%	2.3%	0.0%	1.0%	2.3%
<b>FINANCE, INSUR, REAL ESTATE</b>										
Idaho	23,458	23,671	18,878	19,125	19,270	19,291	19,838	20,626	21,457	22,756
% Ch	1.9%	0.9%	-20.2%	1.3%	0.8%	0.1%	2.8%	4.0%	4.0%	6.1%
National (Thousands)	5,684	5,948	6,272	6,533	6,629	6,669	6,709	6,647	6,602	6,757
% Ch	4.0%	4.7%	5.4%	4.2%	1.5%	0.6%	0.6%	-0.9%	-0.7%	2.3%
<b>TRANS, COMMUN, PUBLIC UTIL</b>										
Idaho	19,068	19,281	18,282	17,920	18,487	19,257	19,788	20,031	20,342	20,879
% Ch	-0.2%	1.1%	-5.2%	-2.0%	3.2%	4.2%	2.8%	1.2%	1.6%	2.6%
National (Thousands)	5,156	5,233	5,247	5,362	5,512	5,614	5,776	5,755	5,718	5,811
% Ch	4.1%	1.5%	0.3%	2.2%	2.8%	1.9%	2.9%	-0.4%	-0.6%	1.6%
<b>TRADE</b>										
Idaho	82,982	84,148	83,886	84,892	87,339	93,122	97,089	100,986	105,894	109,372
% Ch	4.6%	1.4%	-0.3%	1.2%	2.9%	6.6%	4.3%	4.0%	4.9%	3.3%
National (Thousands)	22,078	23,041	23,641	24,269	25,055	25,664	25,774	25,363	25,352	25,753
% Ch	5.8%	4.4%	2.6%	2.7%	3.2%	2.4%	0.4%	-1.6%	0.0%	1.6%
<b>SERVICES</b>										
Idaho	62,474	65,060	66,655	67,956	71,913	76,161	81,750	85,621	90,396	97,221
% Ch	2.4%	4.1%	2.5%	2.0%	5.8%	5.9%	7.3%	4.7%	5.6%	7.6%
National (Thousands)	20,745	21,927	22,957	24,109	25,500	26,904	27,930	28,335	29,047	30,193
% Ch	5.5%	5.7%	4.7%	5.0%	5.8%	5.5%	3.8%	1.5%	2.5%	3.9%
<b>STATE &amp; LOCAL GOVERNMENT</b>										
Idaho	57,146	58,380	59,135	61,123	63,156	65,184	68,334	71,423	74,562	76,844
% Ch	2.2%	2.2%	1.3%	3.4%	3.3%	3.2%	4.8%	4.5%	4.4%	3.1%
National (Thousands)	13,216	13,519	13,792	14,065	14,411	14,791	15,220	15,439	15,672	15,913
% Ch	0.9%	2.3%	2.0%	2.0%	2.5%	2.6%	2.9%	1.4%	1.5%	1.5%
Idaho Education	31,439	32,317	32,845	33,422	34,572	35,603	37,263	38,840	40,455	42,027
% Ch	3.7%	2.8%	1.6%	1.8%	3.4%	3.0%	4.7%	4.2%	4.2%	3.9%
Idaho Other	25,707	26,064	26,290	27,701	28,583	29,581	31,071	32,583	34,108	34,817
% Ch	0.3%	1.4%	0.9%	5.4%	3.2%	3.5%	5.0%	4.9%	4.7%	2.1%
<b>FEDERAL GOVERNMENT</b>										
Idaho	11,751	11,790	11,827	12,088	12,479	12,690	13,057	12,909	13,460	13,581
% Ch	-1.7%	0.3%	0.3%	2.2%	3.2%	1.7%	2.9%	-1.1%	4.3%	0.9%
National (Thousands)	2,807	2,875	2,899	2,943	2,972	2,989	3,086	2,967	2,968	2,914
% Ch	1.2%	2.4%	0.8%	1.5%	1.0%	0.6%	3.3%	-3.9%	0.0%	-1.8%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL JANUARY 2000

### EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>GOODS PRODUCING (continued)</b>										
<b>CONSTRUCTION</b>										
Idaho	28,983	29,632	30,594	32,195	32,224	34,123	34,038	34,201	34,518	34,612
% Ch	17.7%	2.2%	3.2%	5.2%	0.1%	5.9%	-0.2%	0.5%	0.9%	0.3%
National (Thousands)	4,982	5,169	5,418	5,688	5,982	6,255	6,213	6,230	6,197	6,179
% Ch	6.8%	3.8%	4.8%	5.0%	5.2%	4.6%	-0.7%	0.3%	-0.5%	-0.3%
<b>SERVICE PRODUCING SECTOR</b>										
Idaho	357,872	373,974	386,008	398,857	410,319	422,863	433,532	443,035	453,589	464,770
% Ch	5.1%	4.5%	3.2%	3.3%	2.9%	3.1%	2.5%	2.2%	2.4%	2.5%
National (Thousands)	90,229	92,914	95,102	97,712	100,458	103,360	105,854	107,882	109,269	110,841
% Ch	3.3%	3.0%	2.4%	2.7%	2.8%	2.9%	2.4%	1.9%	1.3%	1.4%
<b>FINANCE, INSUR, REAL ESTATE</b>										
Idaho	24,100	24,968	25,173	25,391	22,924	23,467	23,546	23,845	24,089	24,367
% Ch	5.9%	3.6%	0.8%	0.9%	-9.7%	2.4%	0.3%	1.3%	1.0%	1.2%
National (Thousands)	6,895	6,807	6,911	7,108	7,406	7,633	7,745	7,885	7,989	8,071
% Ch	2.0%	-1.3%	1.5%	2.8%	4.2%	3.1%	1.5%	1.8%	1.3%	1.0%
<b>TRANS, COMMUN, PUBLIC UTIL</b>										
Idaho	21,876	22,704	23,404	24,244	25,492	26,732	27,227	27,672	28,157	28,649
% Ch	4.8%	3.8%	3.1%	3.6%	5.1%	4.9%	1.9%	1.6%	1.8%	1.7%
National (Thousands)	5,985	6,134	6,255	6,407	6,599	6,787	6,900	6,994	7,038	7,092
% Ch	3.0%	2.5%	2.0%	2.4%	3.0%	2.9%	1.7%	1.4%	0.6%	0.8%
<b>TRADE</b>										
Idaho	116,690	121,406	125,187	129,009	132,607	135,641	138,909	142,890	146,944	151,488
% Ch	6.7%	4.0%	3.1%	3.1%	2.8%	2.3%	2.4%	2.9%	2.8%	3.1%
National (Thousands)	26,664	27,565	28,077	28,613	29,125	29,804	30,209	30,638	30,821	31,082
% Ch	3.5%	3.4%	1.9%	1.9%	1.8%	2.3%	1.4%	1.4%	0.6%	0.8%
<b>SERVICES</b>										
Idaho	102,834	110,111	115,989	122,641	128,768	133,886	138,264	142,904	147,628	152,367
% Ch	5.8%	7.1%	5.3%	5.7%	5.0%	4.0%	3.3%	3.4%	3.3%	3.2%
National (Thousands)	31,575	33,114	34,455	36,037	37,521	38,988	40,403	41,583	42,413	43,358
% Ch	4.6%	4.9%	4.1%	4.6%	4.1%	3.9%	3.6%	2.9%	2.0%	2.2%
<b>STATE &amp; LOCAL GOVERNMENT</b>										
Idaho	78,877	81,673	83,360	84,535	87,729	90,459	92,121	93,285	94,392	95,481
% Ch	2.6%	3.5%	2.1%	1.4%	3.8%	3.1%	1.8%	1.3%	1.2%	1.2%
National (Thousands)	16,241	16,472	16,648	16,849	17,120	17,476	17,772	18,058	18,304	18,539
% Ch	2.1%	1.4%	1.1%	1.2%	1.6%	2.1%	1.7%	1.6%	1.4%	1.3%
Idaho Education	42,725	44,839	45,828	46,020	47,898	49,796	51,348	52,280	53,161	54,026
% Ch	1.7%	4.9%	2.2%	0.4%	4.1%	4.0%	3.1%	1.8%	1.7%	1.6%
Idaho Other	36,152	36,834	37,532	38,515	39,831	40,662	40,773	41,005	41,231	41,456
% Ch	3.8%	1.9%	1.9%	2.6%	3.4%	2.1%	0.3%	0.6%	0.6%	0.5%
<b>FEDERAL GOVERNMENT</b>										
Idaho	13,494	13,112	12,896	13,038	12,799	12,678	13,465	12,439	12,379	12,418
% Ch	-0.6%	-2.8%	-1.6%	1.1%	-1.8%	-0.9%	6.2%	-7.6%	-0.5%	0.3%
National (Thousands)	2,870	2,822	2,756	2,699	2,687	2,672	2,826	2,724	2,705	2,700
% Ch	-1.5%	-1.7%	-2.3%	-2.1%	-0.4%	-0.6%	5.8%	-3.6%	-0.7%	-0.2%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL

JANUARY 2000

### MISCELLANEOUS

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>FEDERAL TRANSFERS TO STATE &amp; LOCAL GOVERNMENTS</b>										
Idaho (Millions)	364.0	418.5	448.0	423.0	456.2	524.2	553.0	590.9	667.9	723.9
% Ch	3.6%	15.0%	7.1%	-5.6%	7.8%	14.9%	5.5%	6.8%	13.0%	8.4%
National (Billions)	94.4	100.3	107.6	102.9	111.2	118.2	132.4	153.4	172.2	180.0
% Ch	8.4%	6.3%	7.3%	-4.3%	8.1%	6.3%	12.0%	15.9%	12.3%	4.5%
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>										
<b>Gross Domestic Product</b>	75.9	78.5	80.6	83.1	86.1	89.7	93.6	97.3	100.0	102.7
% Ch	3.8%	3.4%	2.6%	3.1%	3.7%	4.2%	4.4%	3.9%	2.8%	2.7%
<b>Consumption Expenditures</b>	73.1	75.8	78.0	81.0	84.3	88.4	92.9	96.8	100.0	102.7
% Ch	3.8%	3.7%	2.8%	3.8%	4.2%	4.9%	5.1%	4.2%	3.3%	2.7%
<b>Durable Goods</b>	86.7	87.8	88.9	91.6	93.3	95.3	96.6	98.5	100.0	101.1
% Ch	1.4%	1.2%	1.3%	3.0%	1.8%	2.2%	1.4%	2.0%	1.5%	1.1%
<b>Nondurable Goods</b>	76.7	78.7	78.7	81.8	84.8	89.3	94.6	98.1	100.0	101.3
% Ch	2.8%	2.6%	0.0%	3.9%	3.7%	5.2%	6.0%	3.6%	2.0%	1.3%
<b>Services</b>	68.2	71.6	75.3	78.2	82.2	86.6	91.2	95.8	100.0	103.8
% Ch	5.1%	5.1%	5.1%	3.9%	5.0%	5.4%	5.4%	5.0%	4.4%	3.8%
<b>Cons. Price Index (1982-84)</b>	103.9	107.6	109.7	113.7	118.4	124.0	130.8	136.3	140.4	144.6
% Ch	4.4%	3.5%	1.9%	3.7%	4.1%	4.8%	5.4%	4.2%	3.0%	3.0%
<b>SELECTED INTEREST RATES</b>										
Federal Funds	10.23%	8.10%	6.81%	6.66%	7.57%	9.22%	8.10%	5.69%	3.52%	3.02%
Prime	12.04%	9.93%	8.33%	8.20%	9.32%	10.87%	10.01%	8.46%	6.25%	6.00%
New Home Mortgage	12.37%	11.58%	10.26%	9.31%	9.18%	10.11%	10.01%	9.30%	8.25%	7.24%
U.S. Govt. 3-Month Bills	9.52%	7.48%	5.98%	5.78%	6.67%	8.11%	7.49%	5.38%	3.43%	3.00%
<b>SELECTED US PRODUCTION INDICES</b>										
<b>Lumber &amp; Wood Products</b>	89.8	92.0	99.6	104.9	105.1	104.3	101.6	94.5	100.0	100.7
% Ch	7.8%	2.4%	8.3%	5.3%	0.2%	-0.8%	-2.6%	-6.9%	5.8%	0.7%
<b>Office &amp; Computer Equip.</b>	42.0	50.3	53.7	62.2	74.6	83.0	81.4	82.3	100.0	120.5
% Ch	42.2%	19.8%	6.7%	15.9%	19.9%	11.2%	-1.9%	1.1%	21.4%	20.5%
<b>Electrical Machinery</b>	66.7	68.4	71.0	75.6	82.5	85.8	87.7	89.6	100.0	110.5
% Ch	19.3%	2.6%	3.7%	6.6%	9.1%	3.9%	2.3%	2.1%	11.6%	10.5%
<b>Electronic Components</b>	40.6	41.2	44.2	51.9	58.5	65.2	72.1	80.9	100.0	117.1
% Ch	36.2%	1.6%	7.3%	17.4%	12.7%	11.5%	10.4%	12.2%	23.7%	17.1%
<b>Food</b>	86.4	88.9	91.2	93.5	94.9	95.9	97.0	98.4	100.0	102.0
% Ch	2.1%	2.9%	2.6%	2.6%	1.4%	1.1%	1.2%	1.4%	1.6%	2.0%
<b>Paper</b>	85.0	83.8	88.3	90.9	93.8	95.4	96.0	96.8	100.0	104.0
% Ch	4.9%	-1.4%	5.3%	3.0%	3.1%	1.7%	0.6%	0.8%	3.3%	4.0%
<b>Agricultural Chemicals</b>	85.7	80.7	74.8	84.6	90.0	97.2	100.4	97.6	100.0	100.8
% Ch	16.5%	-5.8%	-7.4%	13.1%	6.4%	8.1%	3.3%	-2.8%	2.5%	0.8%
<b>Metals &amp; Minerals Mining</b>	75.2	76.3	77.1	80.6	88.4	93.8	98.4	95.2	100.0	100.8
% Ch	10.8%	1.4%	1.0%	4.6%	9.7%	6.2%	4.9%	-3.3%	5.1%	0.8%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999



# IDAHO ECONOMIC FORECAST

## ANNUAL DETAIL JANUARY 2000

### MISCELLANEOUS

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>FEDERAL TRANSFERS TO STATE &amp; LOCAL GOVERNMENTS</b>										
Idaho (Millions)	766.2	835.6	910.5	933.9	992.8	1,055.2	1,125.0	1,175.7	1,223.3	1,275.4
% Ch	5.8%	9.1%	9.0%	2.6%	6.3%	6.3%	6.6%	4.5%	4.1%	4.3%
National (Billions)	174.5	184.5	190.4	195.7	209.3	223.6	239.6	250.9	261.4	273.0
% Ch	-3.1%	5.7%	3.2%	2.7%	7.0%	6.8%	7.2%	4.7%	4.2%	4.4%
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>										
<b>Gross Domestic Product</b>	104.8	107.1	109.0	110.9	112.2	113.7	115.2	117.0	119.1	121.5
% Ch	2.1%	2.1%	1.8%	1.7%	1.2%	1.3%	1.4%	1.6%	1.8%	2.0%
<b>Consumption Expenditures</b>	104.8	107.2	109.4	111.2	112.2	114.0	115.9	118.0	120.6	123.5
% Ch	2.1%	2.2%	2.0%	1.7%	0.9%	1.6%	1.7%	1.7%	2.2%	2.4%
<b>Durable Goods</b>	102.3	102.8	101.7	99.5	97.1	94.5	92.7	91.9	91.6	91.6
% Ch	1.2%	0.5%	-1.0%	-2.2%	-2.4%	-2.7%	-1.9%	-0.9%	-0.3%	0.0%
<b>Nondurable Goods</b>	101.7	102.9	105.0	106.5	106.5	108.9	111.2	113.2	116.0	118.9
% Ch	0.4%	1.1%	2.1%	1.3%	0.1%	2.3%	2.1%	1.7%	2.5%	2.5%
<b>Services</b>	107.1	110.5	113.4	116.4	118.8	121.3	124.1	126.9	130.2	134.0
% Ch	3.2%	3.2%	2.6%	2.6%	2.1%	2.3%	2.3%	2.3%	2.6%	2.9%
<b>Cons. Price Index (1982-84)</b>	148.3	152.5	157.0	160.6	163.1	166.6	170.5	174.2	178.7	183.6
% Ch	2.6%	2.8%	2.9%	2.3%	1.6%	2.2%	2.3%	2.1%	2.6%	2.8%
<b>SELECTED INTEREST RATES</b>										
Federal Funds	4.20%	5.84%	5.30%	5.46%	5.35%	4.99%	5.50%	5.50%	5.50%	5.50%
Prime	7.14%	8.83%	8.27%	8.44%	8.35%	7.99%	8.50%	8.50%	8.50%	8.50%
New Home Mortgage	7.47%	7.85%	7.77%	7.73%	7.08%	7.18%	7.72%	7.21%	7.05%	7.09%
U.S. Govt. 3-Month Bills	4.25%	5.49%	5.01%	5.06%	4.78%	4.62%	5.01%	5.00%	4.99%	5.00%
<b>SELECTED US PRODUCTION INDICES</b>										
<b>Lumber &amp; Wood Products</b>	105.9	107.9	110.4	114.2	117.2	120.4	119.8	121.7	122.9	124.8
% Ch	5.1%	1.9%	2.3%	3.5%	2.7%	2.7%	-0.5%	1.7%	0.9%	1.5%
<b>Office &amp; Computer Equip.</b>	149.3	211.3	298.8	423.7	649.4	912.1	1,228.7	1,609.0	2,094.5	2,570.0
% Ch	23.9%	41.5%	41.4%	41.8%	53.3%	40.5%	34.7%	31.0%	30.2%	22.7%
<b>Electrical Machinery</b>	131.4	166.3	206.0	253.4	289.6	337.9	378.9	418.0	467.9	521.6
% Ch	18.9%	26.6%	23.9%	23.0%	14.3%	16.7%	12.1%	10.3%	12.0%	11.5%
<b>Electronic Components</b>	154.2	243.6	356.9	523.9	663.5	879.2	1,071.8	1,273.3	1,527.2	1,805.8
% Ch	31.7%	57.9%	46.5%	46.8%	26.6%	32.5%	21.9%	18.8%	19.9%	18.2%
<b>Food</b>	103.7	105.8	105.4	108.0	109.7	110.4	111.3	114.1	116.1	118.0
% Ch	1.6%	2.0%	-0.3%	2.4%	1.6%	0.7%	0.8%	2.5%	1.7%	1.7%
<b>Paper</b>	108.4	109.6	108.8	114.4	115.0	115.9	116.2	120.2	122.6	125.5
% Ch	4.2%	1.1%	-0.8%	5.2%	0.5%	0.8%	0.3%	3.4%	2.0%	2.4%
<b>Agricultural Chemicals</b>	100.5	100.3	102.4	103.6	108.3	110.4	111.5	113.6	114.1	116.1
% Ch	-0.4%	-0.2%	2.0%	1.2%	4.5%	1.9%	1.0%	1.9%	0.4%	1.8%
<b>Metals &amp; Minerals Mining</b>	105.0	108.0	110.2	115.9	118.2	113.6	110.3	116.1	119.3	126.1
% Ch	4.2%	2.8%	2.1%	5.1%	2.0%	-3.9%	-2.9%	5.3%	2.7%	5.7%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### DEMOGRAPHICS

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,202.6	1,208.3	1,213.9	1,219.0	1,223.9	1,228.6	1,233.4	1,238.1	1,243.5	1,249.0	1,254.3	1,260.1
% Ch	1.9%	1.9%	1.9%	1.7%	1.6%	1.5%	1.6%	1.5%	1.8%	1.8%	1.7%	1.9%
National (Millions)	267.3	267.9	268.5	269.1	269.7	270.3	270.9	271.5	272.0	272.6	273.2	273.8
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
<b>BIRTHS</b>												
Idaho (Thousands)	18.558	18.590	18.618	18.629	18.856	19.077	19.300	19.521	19.590	19.665	19.730	19.813
% Ch	-3.5%	0.7%	0.6%	0.2%	5.0%	4.8%	4.8%	4.6%	1.4%	1.5%	1.3%	1.7%
National (Thousands)	3,898	3,894	3,890	3,887	3,884	3,881	3,879	3,877	3,876	3,874	3,873	3,873
% Ch	-0.5%	-0.5%	-0.4%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%	-0.1%	-0.2%	-0.1%	-0.1%
<b>DEATHS</b>												
Idaho (Thousands)	8.891	8.933	8.974	9.013	9.050	9.086	9.123	9.159	9.199	9.239	9.279	9.321
% Ch	6.5%	1.9%	1.8%	1.7%	1.7%	1.6%	1.6%	1.6%	1.8%	1.8%	1.7%	1.8%
National (Thousands)	2,335	2,342	2,348	2,355	2,362	2,369	2,375	2,382	2,389	2,396	2,402	2,409
% Ch	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.2%	1.1%	1.1%	1.0%
<b>NET MIGRATION</b>												
Idaho (Thousands)	13.263	13.143	12.756	10.784	9.794	8.810	9.023	8.438	11.168	11.731	10.697	12.606
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	8,263	8,279	9,363	9,527	10,724	9,834	9,457	10,482	10,316	10,306	10,077	9,813
% Ch	7.6%	0.8%	63.6%	7.2%	60.5%	-29.3%	-14.5%	50.9%	-6.2%	-0.4%	-8.6%	-10.1%
National (Millions)	1.459	1.473	1.457	1.515	1.585	1.570	1.637	1.701	1.773	1.617	1.657	1.612
% Ch	12.3%	3.9%	-4.3%	17.1%	19.6%	-3.7%	18.2%	16.6%	18.0%	-30.7%	10.1%	-10.4%
<b>SINGLE UNITS</b>												
Idaho	7,342	7,235	7,809	8,242	9,283	8,737	8,782	9,370	9,502	9,337	9,003	8,804
% Ch	4.3%	-5.7%	35.7%	24.1%	61.0%	-21.5%	2.1%	29.6%	5.7%	-6.7%	-13.6%	-8.6%
National (Millions)	1.158	1.120	1.139	1.133	1.248	1.243	1.274	1.352	1.389	1.318	1.300	1.255
% Ch	23.6%	-12.5%	7.2%	-2.2%	47.2%	-1.5%	10.1%	27.0%	11.4%	-18.9%	-5.4%	-13.2%
<b>MULTIPLE UNITS</b>												
Idaho	921	1,044	1,554	1,285	1,440	1,097	675	1,111	814	968	1,074	1,009
% Ch	39.4%	65.2%	391.4%	-53.3%	57.8%	-66.4%	-85.7%	636.4%	-71.2%	100.2%	51.2%	-22.1%
National (Millions)	0.301	0.353	0.317	0.382	0.337	0.326	0.363	0.349	0.384	0.299	0.357	0.357
% Ch	-20.7%	89.2%	-34.7%	110.7%	-39.9%	-11.7%	53.1%	-14.9%	46.6%	-62.9%	101.6%	0.2%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	390.8	392.6	394.6	396.7	399.1	401.3	403.3	405.6	407.9	410.2	412.4	414.5
% Ch	1.8%	1.8%	2.1%	2.1%	2.4%	2.2%	2.1%	2.3%	2.3%	2.2%	2.2%	2.1%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### DEMOGRAPHICS

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,264.7	1,269.8	1,274.3	1,278.6	1,283.2	1,287.9	1,292.4	1,296.8	1,301.4	1,305.7	1,310.4	1,314.9
% Ch	1.5%	1.6%	1.4%	1.4%	1.5%	1.5%	1.4%	1.4%	1.4%	1.3%	1.4%	1.4%
National (Millions)	274.4	274.9	275.5	276.1	276.6	277.2	277.8	278.4	278.9	279.5	280.1	280.6
% Ch	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>BIRTHS</b>												
Idaho (Thousands)	19.856	19.915	19.952	19.983	20.057	20.131	20.198	20.263	20.336	20.398	20.471	20.542
% Ch	0.9%	1.2%	0.8%	0.6%	1.5%	1.5%	1.3%	1.3%	1.4%	1.2%	1.4%	1.4%
National (Thousands)	3,872	3,872	3,872	3,873	3,874	3,875	3,877	3,879	3,881	3,883	3,886	3,890
% Ch	-0.1%	-0.1%	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%
<b>DEATHS</b>												
Idaho (Thousands)	9.356	9.395	9.429	9.463	9.499	9.535	9.570	9.604	9.640	9.674	9.710	9.745
% Ch	1.5%	1.6%	1.5%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.4%	1.5%	1.5%
National (Thousands)	2,415	2,421	2,427	2,433	2,438	2,443	2,449	2,454	2,459	2,465	2,470	2,475
% Ch	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
<b>NET MIGRATION</b>												
Idaho (Thousands)	8.043	9.792	7.419	6.630	8.097	8.048	7.257	6.978	7.804	6.528	7.783	7.535
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	9,850	9,957	10,074	10,198	10,205	10,180	10,112	10,050	10,042	10,020	9,995	9,981
% Ch	1.5%	4.4%	4.8%	5.0%	0.3%	-1.0%	-2.6%	-2.4%	-0.3%	-0.9%	-1.0%	-0.6%
National (Millions)	1.574	1.561	1.568	1.589	1.597	1.590	1.578	1.573	1.567	1.558	1.550	1.549
% Ch	-9.0%	-3.3%	1.8%	5.5%	2.1%	-1.8%	-3.1%	-1.1%	-1.5%	-2.5%	-1.9%	-0.3%
<b>SINGLE UNITS</b>												
Idaho	8,896	9,068	9,236	9,365	9,384	9,354	9,284	9,218	9,186	9,151	9,123	9,110
% Ch	4.2%	8.0%	7.6%	5.7%	0.8%	-1.3%	-3.0%	-2.8%	-1.4%	-1.5%	-1.2%	-0.6%
National (Millions)	1.232	1.222	1.226	1.237	1.238	1.225	1.212	1.208	1.201	1.191	1.183	1.182
% Ch	-7.1%	-3.3%	1.4%	3.6%	0.2%	-3.9%	-4.4%	-1.3%	-2.2%	-3.4%	-2.5%	-0.3%
<b>MULTIPLE UNITS</b>												
Idaho	954	888	838	833	821	826	828	832	856	868	872	871
% Ch	-20.2%	-24.7%	-20.7%	-2.7%	-5.5%	2.3%	1.1%	2.1%	11.8%	5.9%	1.9%	-0.5%
National (Millions)	0.342	0.339	0.342	0.352	0.360	0.365	0.366	0.366	0.366	0.367	0.367	0.367
% Ch	-15.3%	-3.5%	3.3%	12.6%	8.7%	5.6%	1.3%	-0.2%	0.8%	0.6%	0.2%	-0.3%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	416.7	418.9	421.1	423.3	425.5	427.8	430.0	432.2	434.3	436.5	438.7	440.9
% Ch	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### OUTPUT, INCOME, & WAGES

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	8,125.9	8,259.5	8,364.5	8,453.0	8,610.6	8,683.7	8,797.9	8,947.6	9,072.7	9,146.2	9,276.3	9,414.9
% Ch	7.4%	6.7%	5.2%	4.3%	7.7%	3.4%	5.4%	7.0%	5.7%	3.3%	5.8%	6.1%
1992 Chain-Weighted	7,366.8	7,459.8	7,533.2	7,590.5	7,714.7	7,755.5	7,827.7	7,940.7	8,012.9	8,050.2	8,145.6	8,241.4
% Ch	4.9%	5.1%	4.0%	3.1%	6.7%	2.1%	3.8%	5.9%	3.7%	1.9%	4.8%	4.8%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	24,167	24,524	24,894	25,017	25,426	25,622	26,076	26,480	26,987	27,369	27,649	28,093
% Ch	7.2%	6.0%	6.2%	2.0%	6.7%	3.1%	7.3%	6.3%	7.9%	5.8%	4.2%	6.6%
Idaho Nonfarm (Millions)	23,491	23,829	24,183	24,327	24,843	25,013	25,459	25,701	26,262	26,591	26,941	27,340
% Ch	8.5%	5.9%	6.1%	2.4%	8.8%	2.8%	7.3%	3.9%	9.0%	5.1%	5.4%	6.0%
National (Billions)	6,808	6,901	6,994	7,103	7,195	7,296	7,414	7,531	7,630	7,733	7,826	7,943
% Ch	8.0%	5.6%	5.5%	6.4%	5.3%	5.8%	6.6%	6.5%	5.4%	5.5%	4.9%	6.1%
<b>PERSONAL INCOME - 1992 \$</b>												
Idaho (Millions)	21,815	22,091	22,365	22,409	22,751	22,862	23,199	23,490	23,856	24,061	24,194	24,475
% Ch	5.0%	5.2%	5.1%	0.8%	6.2%	2.0%	6.0%	5.1%	6.4%	3.5%	2.2%	4.7%
Idaho Nonfarm (Millions)	21,205	21,465	21,726	21,791	22,230	22,318	22,650	22,799	23,215	23,377	23,574	23,819
% Ch	6.3%	5.0%	5.0%	1.2%	8.3%	1.6%	6.1%	2.7%	7.5%	2.8%	3.4%	4.2%
National (Billions)	6,144	6,216	6,283	6,362	6,437	6,510	6,596	6,681	6,744	6,798	6,847	6,919
% Ch	5.8%	4.7%	4.4%	5.2%	4.8%	4.6%	5.4%	5.2%	3.9%	3.2%	3.0%	4.3%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	20,096	20,296	20,507	20,523	20,775	20,855	21,142	21,388	21,703	21,912	22,043	22,294
% Ch	5.2%	4.1%	4.2%	0.3%	5.0%	1.6%	5.6%	4.7%	6.0%	3.9%	2.4%	4.6%
National	25,469	25,758	26,047	26,395	26,677	26,994	27,369	27,742	28,048	28,364	28,646	29,012
% Ch	7.0%	4.6%	4.6%	5.5%	4.4%	4.8%	5.7%	5.6%	4.5%	4.6%	4.0%	5.2%
<b>PER CAPITA PERS INC - 1992 \$</b>												
Idaho	18,140	18,283	18,424	18,383	18,589	18,608	18,809	18,972	19,185	19,264	19,288	19,423
% Ch	3.0%	3.2%	3.1%	-0.9%	4.6%	0.4%	4.4%	3.5%	4.6%	1.7%	0.5%	2.8%
National	22,988	23,201	23,399	23,644	23,869	24,084	24,350	24,610	24,792	24,934	25,064	25,274
% Ch	4.8%	3.8%	3.5%	4.3%	3.9%	3.7%	4.5%	4.3%	3.0%	2.3%	2.1%	3.4%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	24,456	24,693	25,012	25,032	25,566	25,544	26,025	26,024	26,634	26,736	27,105	27,376
% Ch	4.7%	3.9%	5.3%	0.3%	8.8%	-0.3%	7.7%	0.0%	9.7%	1.5%	5.6%	4.1%
National	31,203	31,469	31,831	32,289	32,669	33,047	33,497	33,873	34,249	34,563	34,972	35,303
% Ch	5.6%	3.5%	4.7%	5.9%	4.8%	4.7%	5.6%	4.6%	4.5%	3.7%	4.8%	3.8%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### OUTPUT, INCOME, & WAGES

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	9,491.9	9,605.3	9,731.5	9,856.8	9,996.6	10,105.8	10,211.6	10,323.9	10,457.4	10,579.5	10,710.9	10,848.1
% Ch	3.3%	4.9%	5.4%	5.2%	5.8%	4.4%	4.3%	4.5%	5.3%	4.8%	5.1%	5.2%
1992 Chain-Weighted	8,275.5	8,345.6	8,423.2	8,498.0	8,583.0	8,647.2	8,706.8	8,768.4	8,838.5	8,902.2	8,971.3	9,042.6
% Ch	1.7%	3.4%	3.8%	3.6%	4.1%	3.0%	2.8%	2.9%	3.2%	2.9%	3.1%	3.2%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	28,567	28,897	29,196	29,563	30,014	30,416	30,821	31,209	31,666	32,101	32,550	32,999
% Ch	6.9%	4.7%	4.2%	5.1%	6.2%	5.5%	5.4%	5.1%	6.0%	5.6%	5.7%	5.6%
Idaho Nonfarm (Millions)	27,772	28,131	28,468	28,814	29,247	29,637	30,034	30,426	30,882	31,307	31,743	32,186
% Ch	6.5%	5.3%	4.9%	5.0%	6.1%	5.4%	5.5%	5.3%	6.1%	5.6%	5.7%	5.7%
National (Billions)	8,049	8,139	8,231	8,332	8,449	8,549	8,640	8,731	8,842	8,940	9,041	9,144
% Ch	5.5%	4.6%	4.6%	5.0%	5.7%	4.8%	4.4%	4.3%	5.2%	4.5%	4.6%	4.6%
<b>PERSONAL INCOME - 1992 \$</b>												
Idaho (Millions)	24,775	24,970	25,137	25,355	25,632	25,856	26,071	26,259	26,491	26,701	26,915	27,122
% Ch	5.0%	3.2%	2.7%	3.5%	4.4%	3.5%	3.4%	2.9%	3.6%	3.2%	3.2%	3.1%
Idaho Nonfarm (Millions)	24,086	24,309	24,510	24,713	24,977	25,193	25,405	25,600	25,836	26,041	26,248	26,454
% Ch	4.6%	3.8%	3.4%	3.4%	4.3%	3.5%	3.4%	3.1%	3.7%	3.2%	3.2%	3.2%
National (Billions)	6,980	7,033	7,086	7,146	7,215	7,267	7,308	7,346	7,397	7,436	7,476	7,516
% Ch	3.6%	3.1%	3.1%	3.4%	3.9%	2.9%	2.3%	2.1%	2.8%	2.1%	2.2%	2.2%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	22,587	22,757	22,911	23,122	23,389	23,617	23,849	24,066	24,332	24,585	24,841	25,095
% Ch	5.4%	3.0%	2.7%	3.7%	4.7%	3.9%	4.0%	3.7%	4.5%	4.2%	4.2%	4.2%
National	29,338	29,605	29,877	30,181	30,540	30,838	31,105	31,367	31,700	31,987	32,283	32,586
% Ch	4.6%	3.7%	3.7%	4.1%	4.8%	4.0%	3.5%	3.4%	4.3%	3.7%	3.8%	3.8%
<b>PER CAPITA PERS INC - 1992 \$</b>												
Idaho	19,590	19,665	19,726	19,831	19,975	20,076	20,173	20,249	20,356	20,449	20,540	20,626
% Ch	3.5%	1.5%	1.3%	2.1%	2.9%	2.0%	1.9%	1.5%	2.1%	1.9%	1.8%	1.7%
National	25,442	25,581	25,722	25,885	26,081	26,214	26,310	26,392	26,520	26,606	26,694	26,783
% Ch	2.7%	2.2%	2.2%	2.6%	3.1%	2.1%	1.5%	1.3%	2.0%	1.3%	1.3%	1.3%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	27,650	27,937	28,241	28,548	28,853	29,146	29,452	29,736	30,026	30,320	30,614	30,911
% Ch	4.1%	4.2%	4.4%	4.4%	4.3%	4.1%	4.3%	3.9%	4.0%	4.0%	3.9%	3.9%
National	35,699	36,084	36,498	36,901	37,328	37,716	38,091	38,463	38,887	39,271	39,653	40,034
% Ch	4.6%	4.4%	4.7%	4.5%	4.7%	4.2%	4.0%	4.0%	4.5%	4.0%	4.0%	3.9%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**JANUARY 2000**

**PERSONAL INCOME -- CURR \$\$**

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	12,789	13,008	13,293	13,375	13,720	13,814	14,159	14,285	14,728	14,941	15,150	15,383
% Ch	9.1%	7.0%	9.1%	2.5%	10.7%	2.8%	10.4%	3.6%	13.0%	5.9%	5.7%	6.3%
National (Billions)	3,790	3,849	3,915	4,002	4,076	4,146	4,224	4,297	4,372	4,433	4,507	4,572
% Ch	8.4%	6.4%	7.1%	9.2%	7.6%	7.0%	7.8%	7.1%	7.1%	5.7%	6.9%	5.8%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	350	359	366	339	224	234	229	376	300	331	254	295
% Ch	-51.3%	10.7%	8.0%	-26.4%	-80.9%	19.1%	-8.3%	626.8%	-59.5%	48.2%	-65.4%	81.2%
National (Billions)	33	30	29	26	18	19	23	41	33	34	20	31
% Ch	10.5%	-25.4%	-16.1%	-31.4%	-80.4%	30.4%	124.9%	937.6%	-60.9%	21.2%	-87.4%	427.8%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	2,621	2,702	2,734	2,759	2,827	2,848	2,895	2,969	3,057	3,089	3,157	3,190
% Ch	10.2%	12.9%	4.8%	3.7%	10.2%	3.0%	6.8%	10.6%	12.4%	4.3%	9.1%	4.3%
National (Billions)	537	545	554	561	569	576	584	596	608	621	633	639
% Ch	12.2%	6.3%	6.8%	5.2%	5.9%	4.6%	5.7%	8.8%	7.9%	9.3%	8.1%	3.8%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	4,108	4,151	4,190	4,213	4,233	4,276	4,321	4,350	4,369	4,424	4,467	4,554
% Ch	9.0%	4.3%	3.8%	2.2%	1.9%	4.1%	4.3%	2.7%	1.8%	5.1%	4.0%	8.0%
National (Billions)	1,288	1,313	1,328	1,345	1,356	1,376	1,397	1,405	1,412	1,431	1,441	1,466
% Ch	7.0%	7.8%	4.6%	5.3%	3.3%	6.2%	6.1%	2.5%	1.9%	5.3%	2.9%	7.2%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	1,321	1,328	1,340	1,328	1,354	1,349	1,370	1,366	1,396	1,421	1,434	1,462
% Ch	4.0%	2.1%	3.7%	-3.5%	8.1%	-1.5%	6.4%	-1.2%	9.1%	7.4%	3.8%	7.8%
National (Billions)	496	499	502	506	510	514	518	522	528	533	538	546
% Ch	4.0%	2.4%	2.7%	2.7%	3.0%	3.2%	3.3%	3.4%	4.6%	3.8%	4.1%	5.5%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	3,961	3,978	3,999	4,026	4,113	4,141	4,166	4,197	4,257	4,282	4,321	4,360
% Ch	7.0%	1.7%	2.1%	2.7%	8.9%	2.8%	2.4%	3.0%	5.8%	2.4%	3.7%	3.6%
National (Billions)	956	961	965	968	977	980	987	991	1,008	1,014	1,022	1,029
% Ch	7.9%	1.8%	1.8%	1.2%	3.8%	1.4%	2.7%	1.8%	7.0%	2.3%	3.4%	2.7%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	1,224	1,247	1,275	1,280	1,312	1,315	1,342	1,348	1,402	1,420	1,440	1,460
% Ch	11.9%	7.7%	9.3%	1.6%	10.4%	0.9%	8.5%	1.8%	17.0%	5.2%	5.6%	5.9%
National (Billions)	292	296	300	305	310	314	318	322	329	332	337	340
% Ch	9.1%	5.0%	5.7%	7.1%	6.9%	5.0%	5.5%	5.1%	8.9%	4.2%	5.2%	4.1%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	241	246	248	258	267	276	280	285	282	301	305	310
% Ch	27.0%	8.6%	3.3%	17.1%	14.7%	14.2%	5.9%	7.3%	-4.1%	29.8%	6.0%	6.6%

**National Variables Forecast by Standard and Poor's DRI**  
**Forecast Begins the THIRD Quarter of 1999**

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**JANUARY 2000**

**PERSONAL INCOME -- CURR \$\$**

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	15,650	15,895	16,124	16,356	16,624	16,886	17,161	17,420	17,693	17,967	18,241	18,515
% Ch	7.1%	6.4%	5.9%	5.9%	6.7%	6.5%	6.7%	6.2%	6.4%	6.3%	6.2%	6.2%
National (Billions)	4,638	4,705	4,776	4,849	4,925	4,993	5,056	5,118	5,188	5,252	5,316	5,382
% Ch	5.9%	5.9%	6.2%	6.2%	6.4%	5.7%	5.1%	5.0%	5.5%	5.0%	5.0%	5.0%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	331	296	255	273	291	298	303	296	296	304	313	315
% Ch	59.6%	-36.1%	-44.5%	30.8%	28.6%	10.1%	7.4%	-8.8%	-0.5%	10.7%	12.3%	3.6%
National (Billions)	26	23	19	20	21	22	22	21	22	22	23	23
% Ch	-48.5%	-43.4%	-52.4%	30.2%	23.4%	9.3%	6.6%	-11.8%	6.8%	9.7%	11.1%	1.3%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	3,193	3,229	3,269	3,304	3,346	3,381	3,417	3,458	3,510	3,553	3,600	3,650
% Ch	0.4%	4.7%	5.0%	4.3%	5.2%	4.2%	4.4%	4.9%	6.1%	5.0%	5.4%	5.6%
National (Billions)	640	647	654	660	668	674	680	688	697	705	713	722
% Ch	0.3%	4.2%	4.5%	3.9%	4.7%	3.8%	3.9%	4.4%	5.5%	4.6%	4.9%	5.1%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	4,648	4,689	4,727	4,766	4,812	4,862	4,903	4,943	4,986	5,039	5,097	5,160
% Ch	8.5%	3.6%	3.3%	3.4%	3.9%	4.3%	3.3%	3.4%	3.5%	4.3%	4.7%	5.0%
National (Billions)	1,493	1,504	1,514	1,525	1,537	1,552	1,563	1,574	1,583	1,596	1,610	1,625
% Ch	7.4%	3.0%	2.8%	2.8%	3.3%	4.0%	2.9%	2.6%	2.5%	3.3%	3.5%	3.8%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	1,487	1,499	1,511	1,531	1,555	1,579	1,605	1,629	1,654	1,679	1,705	1,732
% Ch	7.2%	3.3%	3.0%	5.5%	6.6%	6.1%	6.8%	6.1%	6.3%	6.4%	6.3%	6.3%
National (Billions)	552	554	558	564	571	577	582	587	593	599	604	610
% Ch	4.4%	2.1%	2.6%	4.6%	4.8%	4.0%	3.8%	3.6%	4.1%	3.8%	3.8%	3.9%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	4,435	4,479	4,518	4,562	4,641	4,686	4,735	4,787	4,876	4,930	4,986	5,043
% Ch	7.1%	4.1%	3.5%	4.0%	7.1%	3.9%	4.3%	4.5%	7.6%	4.5%	4.6%	4.6%
National (Billions)	1,046	1,055	1,063	1,072	1,091	1,100	1,110	1,121	1,143	1,154	1,166	1,179
% Ch	6.9%	3.4%	3.0%	3.6%	7.1%	3.3%	3.8%	4.1%	7.7%	4.2%	4.2%	4.3%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	1,492	1,512	1,534	1,560	1,591	1,618	1,650	1,678	1,708	1,735	1,763	1,792
% Ch	9.0%	5.3%	6.1%	7.0%	8.2%	6.9%	8.1%	7.1%	7.2%	6.6%	6.5%	6.9%
National (Billions)	346	348	353	358	364	369	374	379	384	388	392	397
% Ch	6.8%	3.5%	5.1%	6.2%	7.1%	5.1%	5.7%	5.0%	5.5%	4.4%	4.4%	5.0%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	316	321	326	331	336	342	348	353	359	365	371	376
% Ch	7.5%	6.7%	6.2%	6.1%	7.0%	6.7%	6.9%	6.5%	6.7%	6.6%	6.5%	6.4%

**National Variables Forecast by Standard and Poor's DRI**  
**Forecast Begins the THIRD Quarter of 1999**

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### EMPLOYMENT

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	503,107	506,672	511,317	513,946	516,112	519,840	522,949	527,361	531,008	536,124	536,308	539,330
% Ch	4.0%	2.9%	3.7%	2.1%	1.7%	2.9%	2.4%	3.4%	2.8%	3.9%	0.1%	2.3%
National (Thousands)	121,447	122,294	123,006	123,946	124,771	125,462	126,113	126,865	127,640	128,246	128,882	129,500
% Ch	2.6%	2.8%	2.4%	3.1%	2.7%	2.2%	2.1%	2.4%	2.5%	1.9%	2.0%	1.9%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	108,937	109,392	109,828	111,457	111,053	111,417	111,353	111,162	112,715	113,173	112,309	113,121
% Ch	4.4%	1.7%	1.6%	6.1%	-1.4%	1.3%	-0.2%	-0.7%	5.7%	1.6%	-3.0%	2.9%
National (Thousands)	24,771	24,883	25,008	25,181	25,363	25,393	25,306	25,319	25,310	25,222	25,176	25,122
% Ch	2.0%	1.8%	2.0%	2.8%	2.9%	0.5%	-1.4%	0.2%	-0.2%	-1.4%	-0.7%	-0.9%
<b>MANUFACTURING</b>												
Idaho	73,842	74,275	74,907	75,418	76,155	76,504	76,193	75,624	75,783	76,099	76,007	76,433
% Ch	1.6%	2.4%	3.4%	2.8%	4.0%	1.8%	-1.6%	-3.0%	0.8%	1.7%	-0.5%	2.3%
National (Thousands)	18,575	18,626	18,698	18,805	18,876	18,851	18,719	18,645	18,542	18,433	18,391	18,307
% Ch	1.0%	1.1%	1.5%	2.3%	1.5%	-0.5%	-2.8%	-1.6%	-2.2%	-2.3%	-0.9%	-1.8%
<b>DURABLE MANUFACTURING</b>												
Idaho	44,572	45,019	45,817	46,735	47,243	47,429	47,162	46,866	46,623	47,010	46,911	47,207
% Ch	1.3%	4.1%	7.3%	8.3%	4.4%	1.6%	-2.2%	-2.5%	-2.1%	3.4%	-0.8%	2.6%
National (Thousands)	10,896	10,953	11,046	11,146	11,228	11,224	11,134	11,098	11,030	10,975	10,980	10,937
% Ch	2.0%	2.1%	3.4%	3.7%	3.0%	-0.1%	-3.2%	-1.3%	-2.4%	-2.0%	0.2%	-1.6%
<b>LUMBER &amp; WOOD PRODUCTS</b>												
Idaho	14,377	14,235	14,157	14,190	13,736	13,918	13,668	13,612	13,530	13,457	13,020	12,956
% Ch	0.1%	-3.9%	-2.2%	0.9%	-12.2%	5.4%	-7.0%	-1.6%	-2.4%	-2.2%	-12.4%	-2.0%
National (Thousands)	788	795	798	803	808	811	813	820	827	824	827	828
% Ch	1.5%	3.6%	1.7%	2.2%	2.5%	1.7%	1.2%	3.3%	3.3%	-1.3%	1.6%	0.3%
<b>STONE, CLAY, GLASS, etc.</b>												
Idaho	4,423	4,416	4,402	4,418	4,302	4,276	4,364	4,402	4,486	4,525	4,423	4,359
% Ch	3.8%	-0.6%	-1.2%	1.5%	-10.2%	-2.4%	8.5%	3.6%	7.8%	3.6%	-8.7%	-5.6%
National (Thousands)	2,015	2,024	2,035	2,051	2,068	2,068	2,062	2,063	2,062	2,056	2,057	2,052
% Ch	1.2%	1.8%	2.3%	3.2%	3.2%	0.0%	-1.2%	0.3%	-0.3%	-1.1%	0.2%	-1.0%
<b>ELEC &amp; NONELEC MACH</b>												
Idaho	20,620	21,147	21,904	22,670	23,560	23,474	23,225	22,976	22,668	22,968	23,352	23,687
% Ch	2.5%	10.6%	15.1%	14.7%	16.7%	-1.5%	-4.2%	-4.2%	-5.3%	5.4%	6.9%	5.9%
National (Thousands)	3,811	3,834	3,872	3,913	3,942	3,933	3,901	3,852	3,805	3,787	3,788	3,780
% Ch	2.2%	2.5%	4.0%	4.3%	3.0%	-0.8%	-3.2%	-4.9%	-4.9%	-1.8%	0.1%	-0.8%
<b>OTHER DURABLES</b>												
Idaho	5,153	5,222	5,354	5,457	5,646	5,762	5,905	5,876	5,939	6,060	6,116	6,205
% Ch	-2.4%	5.5%	10.5%	7.9%	14.6%	8.4%	10.3%	-1.9%	4.4%	8.4%	3.8%	5.9%
National (Thousands)	4,282	4,300	4,340	4,379	4,411	4,412	4,358	4,363	4,337	4,307	4,308	4,277
% Ch	2.2%	1.7%	3.8%	3.6%	3.0%	0.1%	-4.8%	0.4%	-2.3%	-2.7%	0.0%	-2.8%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999



# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	543,293	546,317	548,422	550,519	553,735	557,071	560,461	563,741	567,143	570,523	573,872	577,136
% Ch	3.0%	2.2%	1.6%	1.5%	2.4%	2.4%	2.5%	2.4%	2.4%	2.4%	2.4%	2.3%
National (Thousands)	129,922	130,399	130,869	131,408	131,945	132,397	132,740	133,073	133,404	133,729	134,072	134,443
% Ch	1.3%	1.5%	1.5%	1.7%	1.6%	1.4%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	113,452	113,564	113,609	113,797	114,533	115,342	116,147	116,847	117,551	118,261	118,950	119,557
% Ch	1.2%	0.4%	0.2%	0.7%	2.6%	2.9%	2.8%	2.4%	2.4%	2.4%	2.3%	2.1%
National (Thousands)	24,935	24,809	24,736	24,700	24,715	24,672	24,625	24,614	24,609	24,637	24,651	24,675
% Ch	-2.9%	-2.0%	-1.2%	-0.6%	0.2%	-0.7%	-0.8%	-0.2%	-0.1%	0.5%	0.2%	0.4%
<b>MANUFACTURING</b>												
Idaho	76,478	76,630	76,965	77,390	78,105	78,710	79,343	79,892	80,520	81,212	81,906	82,538
% Ch	0.2%	0.8%	1.8%	2.2%	3.7%	3.1%	3.3%	2.8%	3.2%	3.5%	3.5%	3.1%
National (Thousands)	18,168	18,079	18,001	17,946	17,951	17,923	17,918	17,927	17,930	17,969	17,995	18,011
% Ch	-3.0%	-2.0%	-1.7%	-1.2%	0.1%	-0.6%	-0.1%	0.2%	0.1%	0.9%	0.6%	0.4%
<b>DURABLE MANUFACTURING</b>												
Idaho	47,148	47,117	47,234	47,431	47,917	48,256	48,728	49,166	49,663	50,214	50,800	51,333
% Ch	-0.5%	-0.3%	1.0%	1.7%	4.2%	2.9%	4.0%	3.6%	4.1%	4.5%	4.8%	4.3%
National (Thousands)	10,847	10,801	10,744	10,701	10,701	10,678	10,673	10,683	10,693	10,726	10,753	10,772
% Ch	-3.2%	-1.7%	-2.1%	-1.6%	0.0%	-0.8%	-0.2%	0.4%	0.4%	1.2%	1.0%	0.7%
<b>LUMBER &amp; WOOD PRODUCTS</b>												
Idaho	12,871	12,773	12,714	12,653	12,627	12,575	12,468	12,368	12,293	12,217	12,129	12,038
% Ch	-2.6%	-3.0%	-1.8%	-1.9%	-0.8%	-1.6%	-3.4%	-3.2%	-2.4%	-2.4%	-2.9%	-3.0%
National (Thousands)	826	827	829	831	833	834	834	837	839	841	842	843
% Ch	-0.8%	0.4%	0.7%	1.1%	1.1%	0.3%	0.2%	1.1%	0.9%	1.2%	0.4%	0.4%
<b>STONE, CLAY, GLASS, etc.</b>												
Idaho	4,380	4,382	4,379	4,372	4,373	4,391	4,417	4,433	4,455	4,481	4,505	4,524
% Ch	1.9%	0.2%	-0.3%	-0.6%	0.1%	1.7%	2.4%	1.5%	2.0%	2.4%	2.1%	1.7%
National (Thousands)	2,045	2,033	2,022	2,016	2,014	2,010	2,007	2,008	2,015	2,025	2,031	2,039
% Ch	-1.4%	-2.4%	-2.1%	-1.2%	-0.3%	-0.9%	-0.6%	0.2%	1.4%	2.0%	1.3%	1.5%
<b>ELEC &amp; NONELEC MACH</b>												
Idaho	23,844	24,026	24,180	24,386	24,816	25,069	25,531	25,995	26,467	26,962	27,497	28,029
% Ch	2.7%	3.1%	2.6%	3.5%	7.2%	4.1%	7.6%	7.5%	7.5%	7.7%	8.2%	8.0%
National (Thousands)	3,762	3,756	3,736	3,726	3,740	3,731	3,735	3,748	3,756	3,767	3,778	3,787
% Ch	-1.9%	-0.6%	-2.1%	-1.1%	1.6%	-1.0%	0.4%	1.4%	0.8%	1.2%	1.2%	1.0%
<b>OTHER DURABLES</b>												
Idaho	6,053	5,936	5,962	6,019	6,101	6,221	6,312	6,370	6,448	6,553	6,670	6,742
% Ch	-9.4%	-7.5%	1.8%	3.9%	5.5%	8.1%	6.0%	3.7%	5.0%	6.7%	7.3%	4.4%
National (Thousands)	4,214	4,184	4,158	4,128	4,113	4,104	4,097	4,090	4,084	4,094	4,102	4,103
% Ch	-5.8%	-2.7%	-2.5%	-2.8%	-1.5%	-0.9%	-0.7%	-0.6%	-0.6%	0.9%	0.8%	0.1%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### EMPLOYMENT

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>MANUFACTURING (continued)</b>												
<b>NONDURABLE MANUFACTURING</b>												
Idaho	29,270	29,255	29,090	28,683	28,911	29,075	29,031	28,758	29,159	29,089	29,096	29,226
% Ch	2.2%	-0.2%	-2.2%	-5.5%	3.2%	2.3%	-0.6%	-3.7%	5.7%	-1.0%	0.1%	1.8%
National (Thousands)	7,679	7,673	7,652	7,658	7,648	7,627	7,585	7,547	7,512	7,458	7,411	7,370
% Ch	-0.3%	-0.3%	-1.1%	0.3%	-0.6%	-1.1%	-2.2%	-2.0%	-1.9%	-2.8%	-2.5%	-2.2%
<b>FOOD PROCESSING</b>												
Idaho	17,971	17,838	17,625	17,193	17,253	17,400	17,415	17,074	17,499	17,402	17,409	17,469
% Ch	4.3%	-2.9%	-4.7%	-9.4%	1.4%	3.5%	0.3%	-7.6%	10.3%	-2.2%	0.1%	1.4%
National (Thousands)	1,690	1,686	1,680	1,685	1,685	1,686	1,682	1,689	1,696	1,686	1,673	1,668
% Ch	0.8%	-0.9%	-1.4%	1.3%	-0.2%	0.4%	-1.0%	1.8%	1.5%	-2.3%	-2.9%	-1.3%
<b>CANNED, CURED, &amp; FROZEN</b>												
Idaho	11,041	10,692	10,387	10,082	9,952	10,117	10,134	9,775	10,099	9,995	10,088	10,061
% Ch	6.0%	-12.1%	-10.9%	-11.2%	-5.1%	6.8%	0.7%	-13.4%	13.9%	-4.0%	3.8%	-1.1%
<b>OTHER FOOD PROCESSING</b>												
Idaho	6,930	7,146	7,238	7,111	7,301	7,284	7,280	7,299	7,401	7,407	7,320	7,407
% Ch	1.8%	13.1%	5.2%	-6.8%	11.1%	-0.9%	-0.2%	1.0%	5.7%	0.4%	-4.6%	4.8%
<b>PAPER, PRINTING, PUBLISH.</b>												
Idaho	7,116	7,194	7,277	7,276	7,399	7,444	7,439	7,481	7,361	7,392	7,328	7,319
% Ch	-5.2%	4.4%	4.7%	-0.1%	7.0%	2.5%	-0.3%	2.3%	-6.3%	1.7%	-3.4%	-0.5%
National (Thousands)	2,227	2,237	2,237	2,241	2,245	2,244	2,239	2,230	2,222	2,213	2,212	2,202
% Ch	0.3%	1.7%	0.1%	0.7%	0.8%	-0.2%	-0.9%	-1.6%	-1.4%	-1.6%	-0.2%	-1.9%
<b>CHEMICALS</b>												
Idaho	2,331	2,303	2,239	2,265	2,354	2,384	2,352	2,339	2,343	2,315	2,329	2,364
% Ch	7.6%	-4.7%	-10.6%	4.6%	16.7%	5.2%	-5.2%	-2.2%	0.7%	-4.8%	2.5%	6.1%
National (Thousands)	1,034	1,036	1,035	1,040	1,041	1,043	1,044	1,042	1,040	1,036	1,031	1,030
% Ch	0.4%	0.6%	-0.4%	1.9%	0.6%	0.8%	0.1%	-0.5%	-1.0%	-1.5%	-1.8%	-0.4%
<b>OTHER NONDURABLES</b>												
Idaho	1,852	1,920	1,948	1,949	1,905	1,846	1,826	1,864	1,956	1,980	2,030	2,075
% Ch	4.0%	15.6%	6.0%	0.2%	-8.7%	-11.8%	-4.4%	8.6%	21.4%	5.0%	10.5%	9.0%
National (Thousands)	2,728	2,715	2,700	2,693	2,677	2,653	2,620	2,586	2,554	2,523	2,494	2,470
% Ch	-1.6%	-1.9%	-2.1%	-1.1%	-2.4%	-3.5%	-4.8%	-5.2%	-4.8%	-4.7%	-4.6%	-3.7%
<b>MINING</b>												
Idaho	3,192	3,155	3,017	3,030	2,945	2,945	2,907	2,815	2,753	2,551	2,544	2,657
%Ch	2.4%	-4.6%	-16.4%	1.8%	-10.8%	0.0%	-5.0%	-12.1%	-8.5%	-26.3%	-1.0%	18.9%
National (Thousands)	590	595	599	601	606	596	585	574	554	532	525	527
%Ch	5.4%	3.2%	2.9%	1.3%	2.9%	-6.2%	-7.0%	-7.5%	-13.0%	-15.4%	-4.9%	1.7%
<b>METAL MINING</b>												
Idaho	1,956	1,893	1,769	1,752	1,719	1,737	1,690	1,624	1,587	1,423	1,432	1,513
%Ch	-0.2%	-12.2%	-23.7%	-3.8%	-7.4%	4.2%	-10.3%	-14.9%	-8.8%	-35.3%	2.7%	24.4%
<b>OTHER MINING</b>												
Idaho	1,236	1,262	1,247	1,278	1,226	1,208	1,217	1,191	1,166	1,128	1,112	1,144
% Ch	6.7%	8.6%	-4.4%	10.0%	-15.3%	-5.6%	2.9%	-8.1%	-8.1%	-12.5%	-5.4%	12.1%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>MANUFACTURING (continued)</b>												
<b>NONDURABLE MANUFACTURING</b>												
Idaho	29,330	29,513	29,731	29,959	30,188	30,454	30,615	30,727	30,857	30,999	31,106	31,205
% Ch	1.4%	2.5%	3.0%	3.1%	3.1%	3.6%	2.1%	1.5%	1.7%	1.8%	1.4%	1.3%
National (Thousands)	7,321	7,278	7,257	7,245	7,250	7,245	7,245	7,243	7,237	7,243	7,243	7,240
% Ch	-2.7%	-2.3%	-1.2%	-0.7%	0.3%	-0.3%	0.0%	-0.1%	-0.4%	0.3%	0.0%	-0.2%
<b>FOOD PROCESSING</b>												
Idaho	17,525	17,659	17,824	17,979	18,118	18,280	18,332	18,348	18,397	18,466	18,502	18,526
% Ch	1.3%	3.1%	3.8%	3.5%	3.1%	3.6%	1.2%	0.3%	1.1%	1.5%	0.8%	0.5%
National (Thousands)	1,654	1,648	1,649	1,651	1,656	1,660	1,665	1,671	1,674	1,679	1,682	1,685
% Ch	-3.3%	-1.4%	0.2%	0.4%	1.2%	1.0%	1.2%	1.4%	0.9%	1.2%	0.6%	0.6%
<b>CANNED, CURED, &amp; FROZEN</b>												
Idaho	10,035	10,034	10,135	10,224	10,334	10,456	10,512	10,555	10,602	10,674	10,695	10,709
% Ch	-1.0%	0.0%	4.1%	3.6%	4.4%	4.8%	2.1%	1.7%	1.8%	2.8%	0.8%	0.6%
<b>OTHER FOOD PROCESSING</b>												
Idaho	7,490	7,625	7,689	7,755	7,783	7,823	7,820	7,792	7,795	7,791	7,807	7,817
% Ch	4.5%	7.4%	3.4%	3.5%	1.5%	2.1%	-0.2%	-1.4%	0.1%	-0.2%	0.8%	0.5%
<b>PAPER, PRINTING, PUBLISH.</b>												
Idaho	7,328	7,315	7,317	7,332	7,348	7,397	7,452	7,505	7,546	7,573	7,596	7,620
% Ch	0.5%	-0.7%	0.1%	0.8%	0.9%	2.7%	3.1%	2.8%	2.2%	1.4%	1.2%	1.2%
National (Thousands)	2,196	2,187	2,185	2,184	2,188	2,190	2,196	2,202	2,206	2,212	2,215	2,217
% Ch	-1.1%	-1.5%	-0.4%	-0.2%	0.8%	0.4%	1.0%	1.1%	0.7%	1.1%	0.6%	0.3%
<b>CHEMICALS</b>												
Idaho	2,391	2,423	2,445	2,475	2,518	2,556	2,591	2,622	2,647	2,672	2,698	2,729
% Ch	4.7%	5.4%	3.8%	5.0%	7.2%	6.2%	5.6%	4.8%	3.9%	3.7%	3.9%	4.8%
National (Thousands)	1,025	1,021	1,020	1,019	1,020	1,019	1,019	1,020	1,021	1,022	1,024	1,025
% Ch	-1.8%	-1.6%	-0.6%	-0.4%	0.4%	-0.2%	0.0%	0.3%	0.2%	0.6%	0.6%	0.4%
<b>OTHER NONDURABLES</b>												
Idaho	2,085	2,116	2,144	2,173	2,204	2,222	2,240	2,252	2,267	2,288	2,310	2,330
% Ch	2.1%	6.0%	5.4%	5.5%	5.7%	3.3%	3.3%	2.3%	2.6%	3.8%	4.0%	3.3%
National (Thousands)	2,446	2,422	2,403	2,391	2,387	2,376	2,365	2,351	2,336	2,329	2,322	2,314
% Ch	-3.9%	-3.9%	-3.0%	-1.9%	-0.8%	-1.8%	-1.7%	-2.4%	-2.5%	-1.2%	-1.3%	-1.4%
<b>MINING</b>												
Idaho	2,691	2,770	2,716	2,628	2,574	2,531	2,462	2,446	2,452	2,491	2,544	2,584
%Ch	5.2%	12.3%	-7.7%	-12.3%	-8.0%	-6.4%	-10.6%	-2.5%	0.9%	6.6%	8.7%	6.4%
National (Thousands)	533	540	536	525	512	502	491	482	474	471	467	465
%Ch	4.7%	5.3%	-2.9%	-7.9%	-10.0%	-7.1%	-8.7%	-7.1%	-6.5%	-3.0%	-2.7%	-2.3%
<b>METAL MINING</b>												
Idaho	1,538	1,590	1,546	1,480	1,440	1,413	1,368	1,358	1,360	1,384	1,417	1,441
%Ch	7.0%	14.2%	-10.8%	-16.0%	-10.3%	-7.3%	-12.1%	-2.8%	0.4%	7.4%	9.9%	6.7%
<b>OTHER MINING</b>												
Idaho	1,153	1,180	1,170	1,149	1,134	1,119	1,093	1,088	1,092	1,107	1,127	1,143
% Ch	2.9%	9.9%	-3.4%	-7.2%	-5.0%	-5.3%	-8.7%	-2.1%	1.5%	5.6%	7.3%	6.1%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### EMPLOYMENT

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GOODS PRODUCING (continued)</b>												
<b>CONSTRUCTION</b>												
Idaho	31,904	31,962	31,904	33,009	31,953	31,968	32,253	32,723	34,180	34,523	33,757	34,030
% Ch	11.4%	0.7%	-0.7%	14.6%	-12.2%	0.2%	3.6%	6.0%	19.0%	4.1%	-8.6%	3.3%
National (Thousands)	5,606	5,662	5,711	5,775	5,881	5,946	6,001	6,100	6,213	6,258	6,260	6,287
% Ch	4.8%	4.1%	3.5%	4.6%	7.5%	4.5%	3.8%	6.7%	7.6%	2.9%	0.1%	1.7%
<b>SERVICE PRODUCING SECTOR</b>												
Idaho	394,170	397,280	401,489	402,489	405,059	408,423	411,597	416,199	418,293	422,950	424,000	426,209
% Ch	3.9%	3.2%	4.3%	1.0%	2.6%	3.4%	3.1%	4.5%	2.0%	4.5%	1.0%	2.1%
National (Thousands)	96,676	97,410	97,998	98,765	99,409	100,070	100,807	101,545	102,331	103,024	103,706	104,378
% Ch	2.8%	3.1%	2.4%	3.2%	2.6%	2.7%	3.0%	3.0%	3.1%	2.7%	2.7%	2.6%
<b>FINANCE, INSUR, REAL ESTATE</b>												
Idaho	25,257	25,324	25,381	25,600	22,719	22,851	22,897	23,227	23,633	23,571	23,302	23,363
% Ch	6.3%	1.1%	0.9%	3.5%	-38.0%	2.3%	0.8%	5.9%	7.2%	-1.0%	-4.5%	1.0%
National (Thousands)	7,017	7,073	7,134	7,207	7,286	7,374	7,447	7,519	7,582	7,623	7,648	7,678
% Ch	2.5%	3.2%	3.5%	4.2%	4.4%	4.9%	4.0%	3.9%	3.4%	2.2%	1.3%	1.6%
<b>TRANS, COMMUN, PUBLIC UTIL</b>												
Idaho	23,949	24,126	24,321	24,580	24,942	25,383	25,707	25,937	26,445	26,713	26,846	26,925
% Ch	-1.3%	3.0%	3.3%	4.3%	6.0%	7.3%	5.2%	3.6%	8.1%	4.1%	2.0%	1.2%
National (Thousands)	6,355	6,408	6,387	6,479	6,526	6,575	6,623	6,671	6,721	6,763	6,812	6,852
% Ch	4.4%	3.4%	-1.3%	5.9%	2.9%	3.0%	2.9%	2.9%	3.1%	2.5%	2.9%	2.4%
<b>TRADE</b>												
Idaho	128,136	128,730	129,381	129,790	131,131	132,306	133,189	133,803	134,511	135,746	135,760	136,549
% Ch	4.0%	1.9%	2.0%	1.3%	4.2%	3.6%	2.7%	1.9%	2.1%	3.7%	0.0%	2.3%
National (Thousands)	28,443	28,552	28,645	28,813	28,916	29,036	29,203	29,343	29,541	29,734	29,901	30,038
% Ch	1.2%	1.5%	1.3%	2.4%	1.4%	1.7%	2.3%	1.9%	2.7%	2.6%	2.3%	1.8%
<b>SERVICES</b>												
Idaho	119,299	121,570	123,941	125,753	126,772	127,805	128,842	131,654	131,844	133,772	134,526	135,402
% Ch	4.7%	7.8%	8.0%	6.0%	3.3%	3.3%	3.3%	9.0%	0.6%	6.0%	2.3%	2.6%
National (Thousands)	35,397	35,871	36,248	36,631	37,004	37,329	37,681	38,069	38,442	38,810	39,165	39,535
% Ch	5.0%	5.5%	4.3%	4.3%	4.1%	3.6%	3.8%	4.2%	4.0%	3.9%	3.7%	3.8%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	84,526	84,662	85,516	83,436	86,519	87,347	88,155	88,895	89,084	90,447	90,978	91,325
% Ch	3.4%	0.6%	4.1%	-9.4%	15.6%	3.9%	3.8%	3.4%	0.9%	6.3%	2.4%	1.5%
National (Thousands)	16,745	16,804	16,895	16,950	17,000	17,079	17,169	17,233	17,336	17,421	17,528	17,621
% Ch	0.9%	1.4%	2.2%	1.3%	1.2%	1.9%	2.1%	1.5%	2.4%	2.0%	2.5%	2.1%
Idaho Education	46,556	46,316	46,967	44,242	47,207	47,705	48,200	48,480	48,438	49,597	50,444	50,705
% Ch	3.1%	-2.0%	5.7%	-21.3%	29.6%	4.3%	4.2%	2.3%	-0.3%	9.9%	7.0%	2.1%
Idaho Other	37,970	38,345	38,549	39,194	39,312	39,641	39,955	40,416	40,646	40,850	40,533	40,620
% Ch	3.7%	4.0%	2.1%	6.9%	1.2%	3.4%	3.2%	4.7%	2.3%	2.0%	-3.1%	0.9%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,003	12,869	12,950	13,330	12,975	12,731	12,806	12,682	12,776	12,702	12,587	12,645
% Ch	3.2%	-4.1%	2.5%	12.3%	-10.2%	-7.3%	2.4%	-3.8%	3.0%	-2.3%	-3.6%	1.8%
National (Thousands)	2,718	2,703	2,688	2,685	2,677	2,676	2,684	2,712	2,708	2,673	2,652	2,655
% Ch	-1.4%	-2.2%	-2.2%	-0.5%	-1.2%	-0.2%	1.3%	4.2%	-0.5%	-5.2%	-3.0%	0.4%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GOODS PRODUCING (continued)</b>												
<b>CONSTRUCTION</b>												
Idaho	34,283	34,163	33,929	33,779	33,854	34,100	34,342	34,509	34,579	34,558	34,500	34,435
% Ch	3.0%	-1.4%	-2.7%	-1.8%	0.9%	2.9%	2.9%	2.0%	0.8%	-0.3%	-0.7%	-0.8%
National (Thousands)	6,234	6,189	6,198	6,229	6,252	6,247	6,216	6,205	6,204	6,198	6,188	6,200
% Ch	-3.3%	-2.8%	0.6%	2.0%	1.5%	-0.4%	-1.9%	-0.7%	0.0%	-0.4%	-0.6%	0.7%
<b>SERVICE PRODUCING SECTOR</b>												
Idaho	429,841	432,753	434,813	436,722	439,203	441,729	444,314	446,894	449,592	452,262	454,922	457,580
% Ch	3.5%	2.7%	1.9%	1.8%	2.3%	2.3%	2.4%	2.3%	2.4%	2.4%	2.4%	2.4%
National (Thousands)	104,987	105,590	106,133	106,708	107,230	107,724	108,115	108,460	108,796	109,092	109,421	109,767
% Ch	2.4%	2.3%	2.1%	2.2%	2.0%	1.9%	1.5%	1.3%	1.2%	1.1%	1.2%	1.3%
<b>FINANCE, INSUR, REAL ESTATE</b>												
Idaho	23,415	23,507	23,591	23,670	23,750	23,819	23,878	23,931	23,995	24,054	24,120	24,185
% Ch	0.9%	1.6%	1.4%	1.4%	1.4%	1.2%	1.0%	0.9%	1.1%	1.0%	1.1%	1.1%
National (Thousands)	7,710	7,718	7,749	7,802	7,831	7,876	7,905	7,929	7,961	7,979	7,999	8,016
% Ch	1.7%	0.4%	1.7%	2.7%	1.5%	2.3%	1.5%	1.2%	1.6%	0.9%	1.0%	0.9%
<b>TRANS, COMMUN, PUBLIC UTIL</b>												
Idaho	27,041	27,180	27,295	27,391	27,492	27,612	27,733	27,853	27,975	28,095	28,218	28,340
% Ch	1.7%	2.1%	1.7%	1.4%	1.5%	1.8%	1.8%	1.8%	1.8%	1.7%	1.8%	1.7%
National (Thousands)	6,861	6,874	6,916	6,948	6,970	6,989	7,003	7,016	7,026	7,031	7,041	7,053
% Ch	0.5%	0.7%	2.4%	1.9%	1.3%	1.1%	0.8%	0.8%	0.6%	0.3%	0.5%	0.7%
<b>TRADE</b>												
Idaho	137,333	138,399	139,451	140,452	141,421	142,388	143,379	144,371	145,414	146,441	147,450	148,472
% Ch	2.3%	3.1%	3.1%	2.9%	2.8%	2.8%	2.8%	2.8%	2.9%	2.9%	2.8%	2.8%
National (Thousands)	30,093	30,144	30,222	30,377	30,518	30,605	30,688	30,741	30,757	30,793	30,842	30,892
% Ch	0.7%	0.7%	1.0%	2.1%	1.9%	1.1%	1.1%	0.7%	0.2%	0.5%	0.6%	0.6%
<b>SERVICES</b>												
Idaho	136,520	137,627	138,866	140,043	141,179	142,314	143,479	144,644	145,855	147,045	148,213	149,397
% Ch	3.3%	3.3%	3.7%	3.4%	3.3%	3.3%	3.3%	3.3%	3.4%	3.3%	3.2%	3.2%
National (Thousands)	39,892	40,185	40,576	40,957	41,218	41,503	41,706	41,904	42,128	42,308	42,502	42,716
% Ch	3.7%	3.0%	4.0%	3.8%	2.6%	2.8%	2.0%	1.9%	2.2%	1.7%	1.8%	2.0%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	91,649	91,985	92,284	92,568	92,866	93,150	93,423	93,699	93,982	94,248	94,529	94,809
% Ch	1.4%	1.5%	1.3%	1.2%	1.3%	1.2%	1.2%	1.2%	1.2%	1.1%	1.2%	1.2%
National (Thousands)	17,677	17,737	17,799	17,875	17,960	18,025	18,093	18,156	18,217	18,274	18,333	18,391
% Ch	1.3%	1.4%	1.4%	1.7%	1.9%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%
Idaho Education	50,969	51,235	51,477	51,710	51,948	52,172	52,389	52,611	52,834	53,048	53,270	53,491
% Ch	2.1%	2.1%	1.9%	1.8%	1.9%	1.7%	1.7%	1.7%	1.7%	1.6%	1.7%	1.7%
Idaho Other	40,680	40,750	40,806	40,858	40,918	40,978	41,034	41,088	41,148	41,200	41,260	41,318
% Ch	0.6%	0.7%	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,882	14,055	13,326	12,597	12,494	12,445	12,423	12,395	12,371	12,380	12,391	12,375
% Ch	45.2%	5.1%	-19.2%	-20.1%	-3.2%	-1.6%	-0.7%	-0.9%	-0.8%	0.3%	0.4%	-0.5%
National (Thousands)	2,752	2,932	2,871	2,749	2,734	2,727	2,721	2,714	2,707	2,707	2,706	2,700
% Ch	15.5%	28.8%	-8.1%	-15.9%	-2.2%	-1.0%	-0.9%	-1.0%	-0.9%	-0.1%	-0.1%	-0.9%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### MISCELLANEOUS

	1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>FEDERAL TRANSFERS TO STATE &amp; LOCAL GOVERNMENTS</b>												
Idaho (Millions)	920.3	919.8	935.8	959.8	962.7	958.9	1,035.7	1,013.8	1,037.9	1,023.4	1,072.3	1,087.2
% Ch	7.1%	-0.2%	7.2%	10.6%	1.2%	-1.6%	36.1%	-8.2%	9.8%	-5.5%	20.5%	5.7%
National (Billions)	192.8	192.2	195.9	201.7	202.1	200.8	220.2	214.2	219.9	215.7	227.7	230.9
% Ch	7.8%	-1.2%	7.9%	12.4%	0.8%	-2.5%	44.6%	-10.5%	11.1%	-7.4%	24.2%	5.8%
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	110.3	110.7	111.0	111.4	111.7	112.0	112.4	112.6	113.2	113.6	113.8	114.1
% Ch	2.3%	1.6%	1.2%	1.3%	1.0%	1.1%	1.4%	0.9%	2.0%	1.3%	1.0%	1.1%
<b>Consumption Expenditures</b>	110.8	111.0	111.3	111.6	111.8	112.1	112.4	112.7	113.1	113.7	114.3	114.8
% Ch	2.1%	0.8%	1.1%	1.2%	0.4%	1.1%	1.2%	1.2%	1.4%	2.2%	1.9%	1.8%
<b>Durable Goods</b>	100.8	99.8	99.0	98.4	98.0	97.5	97.0	96.0	95.3	94.8	94.4	93.5
% Ch	-1.1%	-3.7%	-3.3%	-2.5%	-1.6%	-2.0%	-2.2%	-3.9%	-2.8%	-1.9%	-2.0%	-3.6%
<b>Nondurable Goods</b>	106.4	106.3	106.4	106.7	106.3	106.3	106.6	106.9	107.3	108.7	109.5	110.3
% Ch	1.7%	-0.7%	0.6%	0.9%	-1.4%	-0.2%	1.2%	1.3%	1.6%	5.1%	2.9%	3.0%
<b>Services</b>	115.4	116.1	116.7	117.3	117.8	118.6	119.1	119.7	120.4	120.9	121.6	122.3
% Ch	3.0%	2.5%	2.2%	2.0%	1.8%	2.4%	1.8%	2.1%	2.3%	1.7%	2.2%	2.3%
<b>Cons. Price Index (1982-84)</b>	159.7	160.2	160.9	161.7	162.1	162.8	163.5	164.2	164.8	166.2	167.3	168.3
% Ch	2.5%	1.2%	1.9%	1.8%	1.0%	1.8%	1.6%	1.7%	1.5%	3.5%	2.6%	2.5%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	5.28%	5.52%	5.53%	5.51%	5.52%	5.50%	5.53%	4.86%	4.73%	4.75%	5.09%	5.37%
Prime	8.27%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	7.92%	7.75%	7.75%	8.10%	8.37%
New Home Mortgage	7.82%	8.00%	7.66%	7.45%	7.23%	7.18%	7.07%	6.86%	6.91%	6.92%	7.16%	7.72%
U.S. Govt. 3-Month Bills	5.06%	5.05%	5.05%	5.09%	5.05%	4.98%	4.82%	4.26%	4.41%	4.45%	4.65%	4.98%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Lumber &amp; Wood Products</b>	113.1	115.1	114.1	114.5	115.6	116.4	117.7	119.2	121.6	121.6	119.0	119.4
% Ch	7.9%	7.3%	-3.4%	1.1%	4.0%	2.9%	4.4%	5.4%	8.2%	-0.2%	-8.1%	1.3%
<b>Office &amp; Computer Equip.</b>	365.2	398.5	445.9	485.2	556.1	623.6	675.4	742.3	798.8	875.9	954.6	1,019.2
% Ch	36.4%	41.7%	56.7%	40.2%	72.6%	58.1%	37.6%	45.9%	34.1%	44.6%	41.1%	30.0%
<b>Electrical Machinery</b>	230.9	245.9	262.8	273.7	278.2	282.8	292.7	304.8	310.3	327.1	349.4	364.8
% Ch	20.5%	28.6%	30.6%	17.6%	6.7%	6.8%	14.7%	17.7%	7.4%	23.4%	30.1%	18.8%
<b>Electronic Components</b>	443.5	494.3	560.6	597.4	610.0	624.7	674.8	744.4	772.5	838.3	921.0	985.1
% Ch	43.4%	54.3%	65.5%	28.9%	8.7%	10.0%	36.2%	48.1%	16.0%	38.6%	45.7%	30.9%
<b>Food</b>	107.7	107.6	108.0	108.5	110.1	110.0	108.2	110.5	111.9	110.7	108.8	110.3
% Ch	4.5%	-0.4%	1.6%	1.8%	5.8%	-0.1%	-6.5%	8.8%	5.2%	-4.2%	-6.8%	5.8%
<b>Paper</b>	113.1	113.5	115.3	115.8	115.5	115.0	115.0	114.3	116.3	114.9	115.9	116.4
% Ch	7.2%	1.6%	6.4%	1.7%	-0.9%	-1.8%	0.1%	-2.4%	7.2%	-4.9%	3.4%	1.8%
<b>Agricultural Chemicals</b>	102.5	104.5	104.1	103.3	105.8	106.8	112.1	108.6	109.4	110.7	110.5	110.9
% Ch	-0.9%	8.0%	-1.7%	-2.9%	9.9%	3.9%	21.3%	-11.8%	2.8%	5.0%	-0.8%	1.3%
<b>Metals &amp; Minerals Mining</b>	114.9	115.2	115.9	117.4	119.6	117.4	116.5	119.3	119.5	114.1	110.4	110.5
% Ch	6.7%	1.0%	2.3%	5.2%	7.9%	-7.1%	-3.2%	10.0%	0.5%	-16.9%	-12.4%	0.6%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

# IDAHO ECONOMIC FORECAST

## QUARTERLY DETAIL

JANUARY 2000

### MISCELLANEOUS

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>FEDERAL TRANSFERS TO STATE &amp; LOCAL GOVERNMENTS</b>												
Idaho (Millions)	1,102.4	1,117.5	1,132.5	1,147.7	1,158.8	1,170.0	1,181.3	1,192.8	1,204.8	1,216.8	1,229.4	1,242.4
% Ch	5.7%	5.6%	5.5%	5.5%	3.9%	3.9%	3.9%	3.9%	4.1%	4.1%	4.2%	4.3%
National (Billions)	234.4	237.8	241.3	244.8	247.2	249.7	252.1	254.7	257.3	260.0	262.8	265.6
% Ch	6.2%	5.9%	5.9%	6.0%	4.0%	4.0%	4.0%	4.1%	4.2%	4.2%	4.3%	4.4%
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	114.6	115.0	115.4	115.9	116.4	116.8	117.2	117.7	118.3	118.8	119.3	119.9
% Ch	1.6%	1.4%	1.6%	1.6%	1.7%	1.4%	1.5%	1.6%	2.0%	1.8%	1.9%	2.0%
<b>Consumption Expenditures</b>	115.3	115.7	116.1	116.6	117.1	117.6	118.2	118.8	119.5	120.2	120.9	121.7
% Ch	1.8%	1.5%	1.5%	1.5%	1.7%	1.9%	2.0%	2.1%	2.3%	2.3%	2.4%	2.4%
<b>Durable Goods</b>	93.1	92.8	92.6	92.3	92.1	91.9	91.8	91.7	91.6	91.6	91.6	91.6
% Ch	-1.7%	-1.2%	-1.1%	-1.1%	-1.0%	-0.8%	-0.6%	-0.4%	-0.2%	-0.1%	-0.1%	0.0%
<b>Nondurable Goods</b>	110.8	111.1	111.3	111.7	112.2	112.8	113.5	114.1	114.9	115.6	116.3	117.0
% Ch	1.8%	1.1%	1.0%	1.4%	1.8%	2.2%	2.3%	2.4%	2.7%	2.5%	2.5%	2.5%
<b>Services</b>	123.0	123.7	124.4	125.1	125.8	126.5	127.2	128.0	128.9	129.7	130.6	131.6
% Ch	2.6%	2.2%	2.2%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%	2.8%	2.8%	2.9%
<b>Cons. Price Index (1982-84)</b>	169.3	170.1	170.9	171.8	172.7	173.6	174.7	175.7	176.9	178.0	179.2	180.5
% Ch	2.4%	1.9%	1.9%	2.0%	2.1%	2.3%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Prime	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
New Home Mortgage	7.86%	7.82%	7.68%	7.52%	7.38%	7.24%	7.14%	7.07%	7.04%	7.03%	7.05%	7.06%
U.S. Govt. 3-Month Bills	5.01%	5.01%	5.02%	5.01%	5.02%	5.01%	4.99%	4.99%	4.99%	4.99%	4.99%	5.00%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Lumber &amp; Wood Products</b>	118.8	119.4	120.1	120.8	121.6	121.8	121.6	121.9	122.4	122.8	123.0	123.3
% Ch	-2.1%	2.1%	2.4%	2.3%	2.7%	0.7%	-0.5%	1.0%	1.5%	1.3%	0.6%	1.0%
<b>Office &amp; Computer Equip.</b>	1,120.3	1,194.5	1,264.2	1,335.7	1,459.3	1,533.7	1,659.1	1,783.7	1,907.2	2,030.9	2,156.7	2,283.2
% Ch	46.0%	29.3%	25.4%	24.6%	42.5%	22.0%	37.0%	33.6%	30.7%	28.6%	27.2%	25.6%
<b>Electrical Machinery</b>	368.4	375.2	381.7	390.0	401.5	411.3	423.5	435.4	447.7	460.8	474.8	488.4
% Ch	4.1%	7.6%	7.1%	8.9%	12.4%	10.1%	12.4%	11.7%	11.8%	12.1%	12.7%	12.0%
<b>Electronic Components</b>	1,012.3	1,052.0	1,089.5	1,133.6	1,190.5	1,239.9	1,300.7	1,362.1	1,424.9	1,490.8	1,561.5	1,631.5
% Ch	11.5%	16.6%	15.0%	17.2%	21.7%	17.7%	21.1%	20.2%	19.8%	19.8%	20.4%	19.2%
<b>Food</b>	110.2	110.9	111.7	112.4	113.2	113.9	114.4	114.9	115.3	115.9	116.4	116.8
% Ch	-0.5%	2.8%	2.6%	2.8%	2.6%	2.7%	1.8%	1.4%	1.7%	1.9%	1.7%	1.5%
<b>Paper</b>	115.2	115.6	116.5	117.6	119.0	120.0	120.7	121.1	121.5	122.2	122.9	123.6
% Ch	-3.9%	1.2%	3.4%	3.7%	4.8%	3.4%	2.6%	1.4%	1.2%	2.4%	2.5%	2.3%
<b>Agricultural Chemicals</b>	111.2	110.4	111.7	112.6	113.2	113.7	113.8	113.6	113.5	113.6	114.3	114.9
% Ch	1.2%	-2.8%	4.7%	3.4%	2.1%	1.9%	0.1%	-0.4%	-0.4%	0.3%	2.4%	2.2%
<b>Metals &amp; Minerals Mining</b>	108.6	108.7	110.5	113.2	115.8	116.7	116.1	116.0	116.5	118.2	120.2	122.3
% Ch	-6.8%	0.4%	6.9%	10.0%	9.5%	3.0%	-1.9%	-0.4%	1.7%	6.1%	6.9%	7.1%

National Variables Forecast by Standard and Poor's DRI  
Forecast Begins the THIRD Quarter of 1999

This page left blank intentionally.



## **APPENDIX**

DRI Macro Model .....	Page 60
Idaho Economic Model.....	Page 62
Equations .....	Page 64
Endogenous Variables .....	Page 68
Exogenous Variables .....	Page 70

## THE DRI U.S. MACROECONOMIC MODEL

Standard and Poor's DRI Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The DRI model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

DRI divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and

unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The DRI model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the DRI U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

$$\begin{aligned} \text{personal income} = & \text{wage and salary payments} + \text{other labor} \\ & \text{income} + \text{farm proprietors' income} + \text{nonfarm proprietors'} \\ & \text{income} + \text{property income} + \text{transfer payments} - \text{contributions} \\ & \text{for social insurance} + \text{residence adjustment.} \end{aligned}$$

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from DRI's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the DRI model, an understanding of the DRI model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the DRI model are discussed in the National Forecast section.

## IDAHO ECONOMIC MODEL EQUATIONS

ID0AHEMF:	$ID0AHEMF = 3.19551 + 7.06095 * ID0NEWMF \backslash 1 / ID0NEWMF \backslash 1 * JRWSSNF + 9.61522 * ID0NEWMF \backslash 1 / ID0NEWMF \backslash 1 * JRWSSNF$
ID0AVGW\$:	$ID0AVGW\$ = ((ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / ID0NEW) * 1000$
ID0CRCROP:	$ID0CRCROP = -2.05577 + 0.00425829 * CRCROP + 3.06439 * WPI01$
ID0CRLVSTK:	$ID0CRLVSTK = -1.62679 + 0.00876867 * CRCATCVS + 2.54877 * WPI01$
ID0EXFP:	$ID0EXFP = -2.21369 + 4.66591 * WPI01$
ID0GIA\$:	$ID0GIA\$ = 56.1364 + 854.023 * VAIDGF @ SL * ID0NPT / N$
ID0HSPR:	$ID0HSPR = ID0HSPRS1 @ A + ID0HSPRS2A @ A$
ID0HSPRS1 @ A:	$ID0HSPRS1 @ A = -9.87518 - 0.451913 * (RMMTGNNS - MOVAVG(5 TO 1, RMMTGNNS)) + 113.707 * (MOVAVG(4 TO 1, ID0NPT) - MOVAVG(8 TO 5, ID0NPT)) + 0.0393479 * ID0KHU \backslash 1$
ID0HSPRS2A @ A:	$ID0HSPRS2A @ A = 9.08036 + 46.8804 * (MOVAVG(4 TO 1, ID0NPT) - MOVAVG(8 TO 5, ID0NPT)) - 0.330290 * MOVAVG(3 TO 0, RMMTGNNS) - 0.0307492 * TIME$
ID0IPMFDNEC:	$ID0IPMFDNEC = 13.0 * JQIND25 * 100 / 81.2 + 52.5 * JQIND37 * 100 / 81.2 + 15.7 * JQIND39 * 100 / 81.2$
ID0IP26&27:	$ID0IP26 \& 27 = 252.3 * JQIND26 * 100 / 498.1 + 245.8 * JQIND27 * 100 / 498.1$
ID0IP32&34:	$ID0IP32 \& 34 = 58.8 * JQIND32 * 100 / 206.9 + 148.1 * JQIND34 * 100 / 206.9$
ID0KHU:	$ID0KHU = ID0KHU1 + ID0KHU2A$
ID0KHU1:	$ID0KHU1 = ((1 - 0.003) ** .25) * ID0KHU1 \backslash 1 + ID0HSPRS1 @ A / 4$
ID0KHU2A:	$ID0KHU2A = ((1 - 0.003) ** .25) * ID0KHU2A \backslash 1 + ID0HSPRS2A @ A / 4$
ID0NB:	$ID0NB = 5.59084 + 34.9874 * ID0NPT - 0.144184 * TIME$
ID0ND:	$ID0ND = 0.219924 + 5.42120 * ID0NPT + 0.0106125 * TIME$
ID0NEW:	$ID0NEW = ID0NEWMF + ID0NEWNM$
ID0NEWCC:	$ID0NEWCC = -12.9208 + 0.0288915 * ID0HSPRS1 @ A \backslash 1 + 0.134569 * ID0HSPRS1 @ A \backslash 2 + 0.240247 * ID0HSPRS1 @ A \backslash 3 + 30.345925 * ID0HSPRS1 @ A \backslash 4 + 0.451603 * ID0HSPRS1 @ A \backslash 5 + 0.557280 * ID0HSPRS1 @ A \backslash 6 + 0.141883 * TIME$
ID0NEWFIR:	$ID0NEWFIR = -2.61289 + 0.155336 * MOVAVG(1 TO 0, ID0HSPR) + 25.8105 * ID0NPT - 4.46668 * DUM861ON - 3.32094 * DUM981ON$
ID0NEWGOOD:	$ID0NEWGOOD = ID0NEWMF + ID0NEWMG + ID0NEWCC$

ID0NEWGV: ID0NEWGV= ID0NEWGVF + ID0NEWGVSL

ID0NEWGVF: ID0NEWGVF= -0.871671 + 874.280\*EGF\*(ID0NPT/N) + 4.72135\*EGF\*(GFO92C/GF92C) - 0.00435896\*TIME

ID0NEWGVSL: ID0NEWGVSL= ID0NEWGVSLED + ID0NEWGVSL@ED

ID0NEWGVSLED: ID0NEWGVSLED= -16.7743 + 87.7839\*(ID0NPT\*((N-N16&)/N)) + 0.408575\*MOVAVG(8 TO 4,ID0YPTXB) + 0.159303\*TIME

ID0NEWGVSL@ED: ID0NEWGVSL@ED= -16.0679 + 23.7751\*ID0NPT + 0.129477\*TIME

ID0NEWMF: ID0NEWMF= ID0NEWMFD + ID0NEWMFN

ID0NEWMFD: ID0NEWMFD= ID0NEW24 + ID0NEW32&34 + ID0NEW35&36 + ID0NEWMFDNEC

ID0NEWMFDNEC: ID0NEWMFDNEC= -3.87998 + 0.0735069\*ID0IPMFDNEC

ID0NEWMFN: ID0NEWMFN= ID0NEW20 + ID0NEW26&27 + ID0NEW28 + ID0NEWMFNNEC

ID0NEWMFNNEC: ID0NEWMFNNEC= 0.192089 + 0.00295149\*(CNCS92C + CNOO92C) - 0.180454\*DUM87ON

ID0NEWMG: ID0NEWMG= ID0NEWMG@10 + ID0NEW10

ID0NEWMG@10: ID0NEWMG@10= 3.03115 + 0.790862\*MOVAVG(2 TO 0,JQIND287) + 0.0495390\*ID0HSPR + 0.0103994\*JQIND333@9\*TIME - 0.505426\*JQIND33/EMI - 1.09149\*JRWSSNF/WPI10 - 0.0184944\*TIME

ID0NEWNGOOD: ID0NEWNGOOD= ID0NEWNM - ID0NEWMG - ID0NEWCC

ID0NEWNM: ID0NEWNM= ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU + ID0NEWWR + ID0NEWMG

ID0NEWSV: ID0NEWSV= -54.0827 + 7.01185\* MOVAVG(3 TO 0,YPADJ@ID)/MOVAVG(3 TO 0,PCWC) + 0.116535\*TIME

ID0NEWTCU: ID0NEWTCU= -0.578417 + 0.0181132\*ID0NEW\1 + 11.2657\*ID0NPT + 0.00974829\*TIME

ID0NEWWR: ID0NEWWR= -11.5979 + 5.70282\* MOVAVG(3 TO 0,YPADJ@ID)/MOVAVG(3 TO 0,PCWC) + 0.0849095\*TIME

ID0NEW10: ID0NEW10= 3.53400 + 4.61287\*JQIND333@9 - 1.14050\* JQIND33/EMI - 5.98115\*JRWSSNF/WPI10

ID0NEW20: ID0NEW20= ID0NEW20@203 + ID0NEW203

ID0NEW20@203: ID0NEW20@203= -8.29459 + 23.5104\*JQIND20/E20 + 0.00140365\* TIME

ID0NEW203: ID0NEW203= 3.51633 + 37.2570\*JQIND201@7&9 - 22.6926\* JQIND20/E20 - 0.0881935\*TIME

ID0NEW24:  $ID0NEW24 = 18.9418 + 7.39147 * MOVAVG(1 \text{ TO } 0, JQIND24) - 11.1039 * JRWSSNF/WPI08 - 0.677641 * DUM821ON - 0.0245540 * TIME$

ID0NEW26&27:  $ID0NEW26\&27 = -1.36077 + 0.0771945 * MOVAVG(4 \text{ TO } 1, ID0IP26\&27) + 0.00263195 * TIME$

ID0NEW28:  $ID0NEW28 = -0.496612 + 1.53225 * MOVAVG(2 \text{ TO } 1, JQIND28) + 0.900954 * DUM841ON - 1.89804 * DUM951ON + 0.0112164 * TIME$

ID0NEW32&34:  $ID0NEW32\&34 = -1.54465 + 0.0255594 * MOVAVG(1 \text{ TO } 0, ID0IP32\&34) - 1.74176 * JQIND34/E34 + 0.0572486 * ((ID0NEW20\1 + ID0NEW24\1 + ID0NEWMG\1 + ID0NEWCC\1 + ID0NEW26\&27\1))$

ID0NEW35:  $ID0NEW35 = -5.37343 + 0.247570 * JQIND357 - 1.39698 * DUM861884 + 0.0728595 * TIME$

ID0NEW35&36:  $ID0NEW35\&36 = ID0NEW35 + ID0NEW36$

ID0NEW36:  $ID0NEW36 = -8.01340 + 0.728783 * JQIND367 - 1.09840 * DUM801884 + 0.0755707 * TIME$

ID0NMG:  $ID0NMG = 4 * (ID0NPT - ID0NPT\1) - (ID0NB - ID0ND) / 1000$

ID0NPT:  $ID0NPT = -0.0806329 + 1.01315 * ID0NPT\1 + 0.0704649 * (ID0NEW\1 / ID0NEW\5) / (EEA\1 / EEA\5)$

ID0WBB\$:  $ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$

ID0WBBCC\$:  $ID0WBBCC\$ = (ID0WRWCC\$ * ID0NEWCC) / 1000000$

ID0WBBF\$:  $ID0WBBF\$ = -0.481926 + 0.586428 * WPI02$

ID0WBBMF\$:  $ID0WBBMF\$ = (ID0WRWMF\$ * ID0NEWMF) / 1000000$

ID0WBBMIL\$:  $ID0WBBMIL\$ = 0.0283825 + 0.241784 * (ID0NPT/N) * GFMLWSS@FAC$

ID0WBBOTH\$:  $ID0WBBOTH\$ = ID0WRWOTH\$ * (ID0NEW - ID0NEWCC - ID0NEWMF) / 1000000$

ID0WRWCC\$:  $ID0WRWCC\$ = 8043.57 + 1595.11 * ID0AHEMF$

ID0WRWMF\$:  $ID0WRWMF\$ = -13272.1 + 3672.50 * ID0AHEMF$

ID0WRWOTH\$:  $ID0WRWOTH\$ = -6027.26 + 2301.68 * ID0AHEMF$

ID0YDIR\$:  $ID0YDIR\$ = 0.103376 + 0.928675 * ((YINTPER + DIV + YRENTADJ) * MOVAVG(4 \text{ TO } 1, ID0YP\$) / MOVAVG(4 \text{ TO } 1, YP))$

ID0YFC\$:  $ID0YFC\$ = -0.137894 + 0.797492 * ID0YFC\1 + 0.144164 * WPI01$

ID0YINV&R\$:  $ID0YINV\&R\$ = -0.158554 + 0.781785 * ID0YINV\&R\1 + 0.201802 * WPI01$

ID0YP:  $ID0YP = ID0YP\$ / PCWC$



ID0YP\$:  $ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSI\$$

ID0YPNF:  $ID0YPNF = ID0YPNF\$ / PCWC$

ID0YPNF\$:  $ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$

ID0YPNFPC:  $ID0YPNFPC = ID0YPNF\$ / PCWC / ID0NPT$

ID0YPRF\$:  $ID0YPRF\$ = 0.306169 + 328.498 * (((ID0CRCROP + ID0CRLVSTK + ID0YTRF\$ + ID0YINV\&R\$ - ID0YFC\$ - ID0EXFP) / 1000))$

ID0YPRNF\$:  $ID0YPRNF\$ = -0.233886 + 0.00554433 * YENTNFADJ$

ID0YPTXB:  $ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\&R\$ / 1000)) / PCWC$

ID0YRA\$:  $ID0YRA\$ = -0.0392254 + 0.0210900 * ID0WBB\$$

ID0YSI\$:  $ID0YSI\$ = -0.0222785 + 1.14126 * TWPER * ID0WBB\$ / WSD$

ID0YSUP\$:  $ID0YSUP\$ = -0.0405168 + 1.02826 * YOL * (ID0WBB\$ / WSD)$

ID0YTR\$:  $ID0YTR\$ = 0.117974 + 0.786002 * ((VGF@PER + VGSL@PER) * (ID0NPT / N))$

ID0YTRF\$:  $ID0YTRF\$ = 0.00974201 + 0.0129945 * TRF\$$

YPADJ@ID:  $YPADJ@ID = ID0YPNF\$ + MOVAVG(3 \text{ TO } 0, ID0YPRF\$) + MOVAVG(3 \text{ TO } 0, ID0WBBF\$)$

## ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW\$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA\$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1@A	Adjusted housing starts, single units
ID0HSPRS2A@A	Adjusted housing starts, multiple units
ID0IP26&27	Industrial production index, paper, printing, and publishing, 1992=1.0
ID0IP32&34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1992=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1992=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20@203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26&27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32&34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL@ED	Employment in state and local government, except education
ID0NEWGVSLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG@10	Employment in mining, except metal mining
ID0NEWNGOOD	Employment in service-producing sectors
ID0NEWNM	Employment in nonmanufacturing

ID0NEWSV	Employment in services
ID0NEWTCU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV&R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1992 dollars
ID0YP\$	Total personal income
ID0YPNF	Nonfarm personal income, 1992 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1992 dollars
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1992 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ@ID	Adjusted total personal income

## EXOGENOUS VARIABLES

CNCS92C	Personal consumption expenditures, clothing and shoes, 1992 dollars, chain
weighted	
CNFOOD92C	Personal consumption expenditures, food, 1992 dollars, chain weighted
CNOO92C	Personal consumption expenditures, other nondurable goods, 1992 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends

DUM801884	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
DUM821ON	
DUM841ON	
DUM861ON	
DUM861884	
DUM871ON	
DUM951ON	
DUM981ON	
TIME	

E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS@FAC	Federal government consumption of general government employment
GF92C	Federal government purchases, 1992 dollars, chain weighted
GFO92C	Federal government purchases, nondefense, 1992 dollars, chain weighted
JQIND20	Industrial production index, food products, 1992=1.0
JQIND201@7&9	Industrial production index, food except beverages, 1992=1.0
JQIND24	Industrial production index, wood and lumber products, 1992=1.0
JQIND25	Industrial production index, furniture and fixtures, 1992=1.0
JQIND26	Industrial production index, paper and paper products, 1992=1.0
JQIND27	Industrial production index, printing and publishing, 1992=1.0
JQIND287	Industrial production index, agricultural chemicals, 1992=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1992=1.0
JQIND33	Industrial production index, primary metals, 1992=1.0

JQIND333@9	Industrial production index, nonferrous metals, 1992=1.0
JQIND34	Industrial production index, fabricated metal products, 1992=1.0
JQIND357	Industrial production index, office and computing equipment, 1992=1.0
JQIND367	Industrial production index, electric components, 1992=1.0
JQIND37	Industrial production index, transportation equipment, 1992=1.0
JQIND39	Industrial production index, miscellaneous manufactures, 1992=1.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1982=1.0
N	Population, U.S.
N16&	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1992=1.0, chain weighted
RMMTGNN	Effective conventional mortgage rate, new homes, combined lenders
TRF\$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VAIDGF@SL	Federal grants-in-aid to state and local governments
VG@PER	Federal transfer payments to persons, U.S.
VGSL@PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment

This page left blank intentionally.

**Division of Financial Management**  
**700 W. Jefferson, Room 122**  
**P.O. Box 83720**  
**Boise, Idaho 83720-0032**

<b>BULK RATE</b> <b>U.S. Postage</b> <b>P A I D</b> <b>Boise, Idaho</b> <b>Permit No. 1</b>
---

**ADDRESS CORRECTION REQUESTED**